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WORLD WAR**
Innovative, clever –
or just dumbing down?
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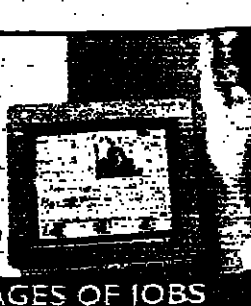
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THE INDEPENDENT

Tuesday 10 March 1998 45p (IR50p) No 3,554

Freedom for McAliskey and her baby

By Andrew Buncombe and Ros Wynne Jones

ROISIN McAliskey, who was wanted in Germany on suspicion of being a member of an IRA bombing team which attacked a British army barracks, was freed last night.

In a dramatic decision the Home Secretary, Jack Straw, said he would not allow Ms McAliskey to be extradited to Germany on the grounds that it would be "unjust and oppressive".

The 26-year-old, who was on bail residing at the Maudsley Hospital's mother and baby unit in south London. It is understood that an independent psychiatric report suggested that her health had been seriously undermined by her detention and was deteriorating while on remand.

"She is a free woman," a Home Office spokeswoman said last night. However, it was not clear when she would be returning home to Northern Ireland. Her mother, Bernadette McAliskey, will travel to Britain from her home in Coalisland today to see her daughter, who will not leave the hospital until she is well enough.

The decision not to extradite Ms McAliskey, who was wanted in Germany for questioning over the June 1996 bombing attack on the British Army barracks in Osnabrück, last night sent shock waves around Westminster and Dublin. Her release



Roisin McAliskey: 'Health deteriorating in prison'

comes at a critical time in the peace talks and is certain to be condemned by Unionists.

However, it was welcomed by the Irish government, which said it was in the "wider interest of peace" and "would give heart" to those working towards peace. The Irish Foreign Minister, David Andrews, said in a statement: "I have long been concerned about the compelling humanitarian dimension to this case both for Roisin and her baby, Loinnir."

Mr Andrews said he had repeatedly raised the issue in his contacts with the British government, including the meeting of the Anglo-Irish inter-governmental conference four days ago when he had "a full discussion of its implications" with the Secretary of State for Northern Ireland, Mo Mowlam.

"Today's decision not only serves to bring an end to the suffering and uncertainty faced by Roisin McAliskey and her family but is also in the wider interest of peace and reconciliation in these days," he said.

Last night Mrs McAliskey said: "I'm relieved and delighted. We can now concentrate on getting her well again. Roisin is quite calm under the circumstances, but I don't think she really realises what is going on."

Ms McAliskey had been held on extradition charges since being arrested in Coalisland in November 1996. She was three months pregnant at the time, but despite this bail was refused. Weak, ill and suffering from a series of complications, she gave birth last summer to a baby girl weighing 5lb 13oz.

The Home Office statement issued last night said: "[Mr Straw] considers the medical evidence in her case would make the extradition unjust or oppressive". It added: "The Home Secretary has explained his decision to the German government. It does not reflect in any way on the fairness of the German legal system or on the quality of the extradition request."

However, Ms McAliskey's supporters have constantly dismissed the German authorities' contention that the former politics student was involved in the mortar attack.

The German government said last night that it could not comment on the decision until it had been made aware of all the reasons behind the move.

Darcey shows off Fonteyn's glitter



Ballet's gems: Dancer Darcey Bussell wearing some of Margot Fonteyn's jewellery which is to be sold by Christies in London today. The diamond and gem brooch is estimated at £4-6,000; tourmaline and diamond earrings £1,200-1,500. Photograph: John Voos

A year in jail for each child killer driver left fatherless

By Andrew Buncombe

A DRINK-DRIVER who killed three cyclists, leaving seven children without their fathers, was yesterday jailed for seven years.

Andrew Armstrong, an alcoholic, was seen clutching a bottle of vodka at the wheel of his car shortly before he crashed into the cyclists. He was found to have been more than three times over the limit, after draining the bottle.

Yesterday, Armstrong, 36, an unemployed lift engineer, wept in the dock as a judge told him his actions had shattered countless lives. He had pleaded guilty to three charges of causing death by dangerous driving.

Judge David Hodson told him: "Your thoroughly outrageous and irresponsible behaviour has killed three admirable, hard-working family men and ruined the lives of their loved ones. It's also wrecked your own life and that of your own family."

"Nothing that this court can do can bring back those you have killed and any sentence will be seen by the families of the deceased as inadequate. In a sense those families would be right."

Newcastle Crown Court heard that five days before Christmas Armstrong had bought a half bottle of the spirit, which he drank at an allotment near his home at Seaton Sluice, Northumberland.

Afterwards he set off, driving erratically on the coast road in his Ford Mondeo, planning to

take a walk on the beach. An off-duty policeman out jogging had to dive on to the pavement to avoid the car. He saw that Armstrong had the bottle close to his mouth.

It was on this road that Armstrong hit four cyclists, who were on the way home from a cycling trip. Bryan Harrison, 38, his brother Alan, 33, and their brother-in-law Don Smith, 49, were killed. Mr Smith's son-in-law Ray Walls, 25, suffered a broken leg and fractured right hip.

Mr Walls remembered landing among debris on a grass verge. He was then confronted with a "scene of carnage", the court heard. Armstrong, who was also banned from driving for 15 years, had not spotted the cyclists until just before his windscreen shattered.

The car, which was travelling at up to 60mph, came to a rest 50 metres away. Armstrong later asked: "Have I killed someone?"

After the case, Peter Harrison, who has lost two brothers, called for a ban on all drinking and driving.

"What's a safe limit?" he asked. "It's only after a tragedy like this that people find their own limit – regardless of the law. Nobody who has had a drink should drive a car."

"No amount of time in prison will change what has happened. This has devastated everybody, especially the children. Now he has been sentenced we can try and put it behind us. Time will tell."

Commons toppers are old hat

By Anthony Bevis
Political Editor

THE COMMONS is to abolish the absurd rule that requires MPs making a point of order to wear a top hat, or other form of "cover", during a parliamentary vote.

The last occasion television viewers might have seen the practice was on Friday, when points of order were raised during votes on the Wild Mammals (Hunting with Dogs) Bill.

A report from the Commons Modernisation Committee said yesterday: "At present, if a Member seeks to raise a point of order during a division, he or she must speak seated and covered". In practice, this means that an opera hat which is kept at each end of the Chamber has to be produced and passed to the Member concerned.

"This particular practice has almost certainly brought the House into greater ridicule than almost any other, particularly since the advent of television. We do not believe that it can be allowed to continue."

The committee recommendation – which will be accepted by the House – is that in future, such points of order should either be made directly to the person in the chair, or, more publicly, from one of the benches close to the Speaker's chair, where the complainant can clearly be seen and heard.

The committee also recommended that another archaic practice, "spying strangers", to force a vote on clearing the Chamber of public and press, should be replaced by a more modern device to test the presence of a 40-strong quorum of MPs in the House.

Louise must wait again as judges decide her fate

By David Usborne in Boston

LAWYERS for Louise Woodward, the British au pair convicted of manslaughter after the death of baby Matthew Eappen, indicated yesterday that in the event of a retrial they would ask for the victim's body to be exhumed.

The possibility of a whole new trial for Woodward, 20, emerged as the Massachusetts Supreme Judicial Court heard appeals from both prosecution and the defence. Even with frequent interjections from the panel of seven judges, the hearing lasted barely 50 minutes.

The defence wants the court to overturn the manslaughter conviction, itself reached only when the trial judge, Hiller Zobel, unilaterally substituted it for the jury's original sentence of second-degree murder. Woodward's lawyers argued that they were unfairly denied access to the baby's skull, which could have proved their case that he died of an injury that was old, and not inflicted, as charged, on 4 February last year. It would be in order to examine the skull that the defence would seek an exhumation in an eventual retrial.

The prosecution, by contrast, attempted to demonstrate that in reducing the sentence and releasing Woodward on time served of 279 days, Judge Zobel abused his powers under Massachusetts statutes. It wants the second-degree conviction reinstated and Woodward sent back to prison to serve life.

The suspense for Woodward, and for the two fiercely-opposing camps supporting her and supporting the Eappen family could last months longer.



Appeal: Louise Woodward in court yesterday

Technically, the judges have 120 days to vote on their ruling in the affair. When it comes, it will not be read in open court but handed down in written form.

Woodward, who has been unable to leave Massachusetts since the end of her trial, arrived at court with her parents, Susan and Gary Woodward, who have been over in Boston from England for several days.

Elaine Whitfield Sharp, a member of the defence team, said that Woodward, who has been staying at her home north of Boston, had been trying to keep herself distracted, in spite of being unable legally to work or study. As well as going to the gym and reading, she "vacuums the house and pets the cat" she said.

After the hearing, a statement read outside the court on behalf of Debra

rah Eappen, Matthew's mother, asked that the focus of public attention be switched away from Woodward and back to Matthew, who was nine months old when he died from the head injuries that the prosecution says were inflicted by Woodward shaking and slamming his head.

"We will never know what great things Mattie would have achieved and we will never know the joy he would have brought to his family. We will never know that because Louise Woodward took Mattie away from us," the statement said.

Both sides were cautious before attempting to interpret the rapid back-and-forth of yesterday's courtroom proceedings. Harvey Silverglate, for the defence, noted however the aggressiveness of Justice Charles Fried as he repeatedly interrupted Sabita Singh, a prosecution lawyer. "I'm encouraged by how pointed some of his questions were," Mr Silverglate said.

After the hearing, the defence conceded it could not rule out the possibility of a retrial. "We are entitled to an acquittal or a dismissal of the charges," Andrew Good of the defence team insisted. "Nothing would satisfy us other than that."

But about the prospect of a new trial, he added: "We would have an unconvicted client. We would not consider that a loss."

All of the defence team, including its most famous member, Barry Scheck, promised that they would continue to represent Woodward at a new trial, even though the Woodward family has already said it would not contest a decision to leave the manslaughter conviction intact because of a lack of funds.

Allies pile pressure on Serbs

By Rupert Cornwell

AS the major powers tightened pressure on Yugoslavia yesterday, relatives of the ethnic Albanians killed by Serbian police in Kosovo last week refused to claim the bodies for burial, accusing President Slobodan Milosevic of trying to hide evidence of atrocities.

In response to the outcry over what is widely feared could turn into a new Bosnia, the six countries of the Contact Group – Britain, the US, France, Italy, Russia and Germany – moved to have the UN Security Council impose an arms embargo on Yugoslavia, and threatened to freeze assets held abroad by Yugoslavia and Serbia, its main remaining member republic.

Robin Cook, Foreign Secretary, who chaired yesterday's foreign ministers' meeting at Lancaster House, London, called the measures "very tough". Russia was reluctant to accept the full package.

In Kosovo, families in Srbice refused to bury some 60 victims, said to including 14 women and 12 children, and are demanding that foreign pathologists be allowed to conduct full and independent post-mortems. In the capital Pristina, at least 50,000 ethnic Albanians marched in a peaceful rally against President Milosevic.

Powers get tough, page 9

5 facts about stalkers

1. In 1997, a new law in Britain gave convicted stalkers a 5-year sentence.
2. About 1000 people have been charged under these laws in the last 8 months.
3. One survey estimates that 1 in 5 of British women have been stalked.
4. 20% of 400 stalkers victims in America previously stalked their killers.
5. Princess Anne, Beckham and Posh Spice have all been stalked.



tonight
8:30 pm on 5

PEOPLE LIFE

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APR 10 1998

Monty's Bafta glory leaves Rowan without a bean

By Kate Watson-Smyth

THE highest grossing British film, *The Full Monty*, has swept the board in the nominations for the 50th British Academy Film Awards it was announced last night.

The film, starring Robert Carlyle, received 11 nominations including best film, best original screenplay and best actor. *Mrs Brown*, starring Dame Judi Dench and Billy Connolly, was nominated eight times, but

Bean: the Ultimate Disaster Movie – the second most successful British film made – was ignored by the judges.

Despite being largely panned by the critics, *Bean*, featuring the bumbling nerd created by Rowan Atkinson, grossed more than \$218m world-wide and has still to be released in Japan. Only *Four Weddings and A Funeral* was more successful, taking \$225m. *The Full Monty* has so far made \$203m.

Peter Bennett-Jones, Rowan Atkinson's agent, said he was not surprised by the nominations. "We are all very proud of the film we have made and I was slightly irritated that *Bean* did not receive any nominations at all because it was a very successful film, but that is just indicative of the attitude."

"There is a preconception that a film like that will be rubbish and there is a certain amount of prejudice against big broad comedies, but it was

a good piece of work and we were very happy with it," he said.

Caroline Westbrook, reviews editor of *Empire* magazine, said that Baftas tended to concentrate on critical acclaim.

"*Bean* did extremely well but it was not recognised for its screenplay or fine acting so you would not expect it to be nominated," she said. "It was fine for what it was, but you should not equate box-office clout with awards-worthy films."

Despite the lack of nominations for *Bean*, British films have received widespread recognition this year, but *The Full Monty* will face stiff competition in the best film category against *LA Confidential*, *Mrs Brown* and the current box-office hit *Titanic*, which received five nominations including best direction and visual effects.

The film, tracing the fortunes of a group of British steelworkers who turn to stripping after their attempts to find

employment fail, has also been nominated for the best original screenplay where it is competing against *Boogie Nights*, *Mrs Brown* and *Nil by Mouth*.

Helena Bonham Carter, Kathy Burke and Dame Judi Dench took three of the four nominations for best actress and Robert Carlyle, Billy Connolly and Ray Winstone are all nominated for best actor. Kevin Spacey and Kim Basinger were also both nominated for their performances in *LA Confidential*.

This year is a move to recognise the growing importance of British talent on the world stage, Bafta has created the first British Academy Film Awards which concentrate solely on films. The list of nominees for television will be announced at a later date.

Lord Putnam, vice-president of the British Academy of Film and Television Arts, said: "For the first time in years there is a real sense of vibrancy and excitement around the

British film industry. The creation of this award could not be more timely."

Tim Angel, the chairman of Bafta, said: "British films are enjoying a renaissance and the awards will contribute to this climate of confidence and optimism."

"They should reflect the UK's position as a leading film-making nation on a world stage."

The winners will be announced on 19 April.

The recluse who engineered his way to stardom

IN THE NEWS

ROWAN ATKINSON

BACK in his student days, Rowan Atkinson wanted to be an electrical engineer. It is an image that is hard to match with the rubber-faced comedian whose alter-ego, Mr Bean, is one of the best-known comic creations on British television, writes Kate Watson-Smyth.

The antics of the accident-prone nerd have delighted British audiences for years and he has become a national institution – even appearing on *Blind Date* – but it took Hollywood to propel him into superstar league.

The success of *Bean: The Ultimate Disaster Movie* helped Atkinson earn an estimated £11.5m last year – eclipsing established British stars including Lord Attenborough, Sir Anthony Hopkins and John Cleese.

In a nation currently obsessed with being cool, it is interesting that Mr Bean should have caught public imagination to such an extent. He epitomises the gawky, socially-inept outsider and looks like a put-upon Latin teacher. When thwarted, he is petulantly vengeful but when satisfied, he resembles a hideous cackling gargoye.

The inspiration for Mr Bean has

long been debated and Atkinson's brother Rodney has been named as the most likely source, but it is a charge he vigorously denies.

A businessman who lives with their widowed mother in Northumberland, Rodney is possibly the only person in the UK to have read the Maastricht Treaty word for word. In 1993 he launched an unsuccessful case to have the former Foreign Secretary Douglas Hurd prosecuted for treason.

However, Atkinson says Mr Bean is based on what he was like as a nine-year-old. Mercilessly teased at school, he was the butt of playground bullies who thought he looked like an alien and although a bright child he was quickly marked out as "strange". He claims that the age of 12 was the last time he "ever did something funny off stage or away from the TV cameras".

By the time he left prep school "adolescent self-consciousness had set in" and he became deadly serious. Now he insists he is "quiet, even dull" when not performing and "too self-conscious even to play charades".

His first public appearance was at the Edinburgh Festival at the age



Supernerd: A scene from the 1997 hit *Bean: the Ultimate Disaster Movie*, starring the rubber-faced comedian

of 17, but he was still not planning a career on the stage.

He took a degree in electrical engineering at Newcastle University, gaining the highest marks in his year and believed that was where his future lay. But later at Oxford, studying for an MSc, he met up with Richard Curtis, writer of *Four Weddings and A Funeral*, in which Atkinson had a cameo, and co-writer of

the hugely popular *Blackadder* series. He also met the composer Howard Goodall, who wrote the themes for *Blackadder* and *The Thin Blue Line*, the less successful police comedy.

In 1976 Atkinson was spotted at the Edinburgh Festival by television producer John Lloyd. "I rushed backstage after the show and introduced myself. I was convinced he would be more famous than Chap-

lin," he said. Lloyd went on to produce Atkinson in *Not The Nine O'Clock News*, which also brought stardom to Pamela Stevenson, Griff Rhys Jones and Mel Smith.

He is famously reclusive and rarely gives interviews, preferring to live quietly with his wife Sunetra and their two children. Following the success of Mr Bean he is now planning to take a year off.

Peter Bennett-Jones, his agent, said: "Rowan is having a rest for a year and we will think about his next projects after that. We would never say never about another Bean film but we are not thinking about it at the moment."

He also scotched rumours about a film being made around Atkinson's incompetent government agent from the Barclaycard advertisements.

ATKINSON AND BLAIR

Rowan Atkinson went to the same school as Tony Blair. The Prime Minister was 13 and already a model pupil in the top form at Durham's historic Chorister school when Atkinson arrived at the age of 11. Former headmaster Canon John Grove says the two boys were like chalk and cheese: "Rowan was shy with a slight stutter and a slightly rubbery face, just like the one he has now." Of Mr Blair he says: "He was outgoing. If you needed a volunteer, he was the boy who always had his hand up."

HOW BEAN WAS BORN

Atkinson based *Bean* on what he was like as a nine-year-old. At school he was mercilessly teased by playground bullies who thought he looked like an alien. His nicknames were Doodle, Zoodle, Greenman and Gruman. "There's a lot of Mr Bean in me," says Atkinson. "He's socially inept, selfish and has no manners – yet he can be sweet, innocent and well-meaning."

ATKINSON THE RECLUSE

One of the more reclusive figures in British showbusiness, Atkinson, 43, owns a £500,000 18th-century rectory in Oxfordshire – where he lives with his wife Sunetra and their two children – and a £650,000 house in Chelsea.

BOOMING BEAN

Mr Bean is the most popular comedy on British television. Audiences reach as high as 18m; even repeats attract 12m viewers. It has been shown in 94 countries and sold more than seven million videos but only 14 half-hour episodes have been made.

Python stars sue to regain control of 'Life of Brian'

By Rosa Prince

THE STARS of Monty Python yesterday launched an action in the High Court to try to win back control over their film *Life of Brian*.

The film, which chronicles the adventures of an unwilling messiah called Brian, has been controversial since its release in 1978 when it was labelled blasphemous by religious groups.

Now the Python team are suing the film's distributor, Paragon, for allowing *Life of Brian* to be cut without their permission and for licensing the film at a rate that they say was not businesslike.

They are also bringing an action against Channel 4 for showing the film under licence from Paragon when, according to James Munby QC, representing Python, the station knew the team was unhappy with the deal.

In 1991 the film was licensed to Channel 4 by Python's former distributor Hand Made, owned by the Beatles' George Harrison, for £250,000 with the agreement that it would be shown no more than twice over the following five years.



Film in jeopardy: The Monty Python team still fear *Life of Brian* could be cut to quell accusations of blasphemy

When the film was once more licensed to the station in 1996, by which time it had passed on to Paragon, it made just \$100,000 (£62,500) for a 30-year period. There were no lim-

its to the number of times it could be shown and the deal applied to all forms of broadcasting, not just terrestrial television. Mr Munby said on behalf of Python:

"To grant rates of this sort in relation to a film for a period of 30 years when no one can foretell the nature of technology which may be in place down the line is little short of madness."

The High Court action came the day after the surviving Pythons – John Cleese, Michael Palin, Terry Jones, Eric Idle and Terry Gilliam – performed together for the first time in 18 years.

The sixth member of the group, Graham Chapman, who died 10 years ago, wrote much of the screenplay and starred as Brian, who in the film ends up on a cross while those around him sing "Always Look on the Bright Side of Life".

The Python team say that it is scenes such as this, and lines like: "He's not the messiah he's a very naughty boy", spoken by Brian's mum played by Terry Jones, which make the film ripe for censorship by those who even now fear it will give offence.

They accused Paragon of failing to include in licences an obligation that the film would not be cut.

The action, which is expected to last for three weeks, continues tomorrow.

Rail regulator's progress checked by a stone

By Randeep Ramesh
Transport Correspondent

IT IS a railway line that local groups fought to re-open. But last week, the railways' fat controller could have been forgiven for wishing it had never been built.

John Swift QC, the rail regulator and passenger's champion, survived what he described as a "murderous assault" by stone-throwing youths as he travelled in the driver's cab of a Lancashire train.

Mr Swift, whose nerve is not in doubt in City circles, was "badly shaken" after vandals between Darwen and Blackburn stoned the front windows of the driver's cab of the North Western Train service.

The attack took place last Friday – when Mr Swift was taking train to Clitheroe for a meeting with local rail campaigners. Three years ago, they had successfully lobbied to get the Ribbles Valley service reinstated.

According to Mr Swift: "We were tooting along and I was admiring the scenery and suddenly there were two shattering crashes... It was an alarming and all too frequent indication of how the security of the railways and the people travelling on them must continue to be of prime concern."

Tough on crime and tougher on those who commit offences, Mr Swift was quick to attack – verbally – the vandals. "It

brought home to me how important it is to retain morale in the people we ask to run these trains in the face of murderous attempts by youngsters who should know better."

Mr Swift does not shirk a fight. Since the election of a Labour government he has roughed up the rail industry – considered by many of privatisation's critics to have been given an easy ride by the previous Conservative administration.

He has attacked Railtrack for "wholly unacceptable" spending on maintenance, fined train companies for the poor service provided by the telephone enquiry bureau and highlighted the mis-selling of train tickets.

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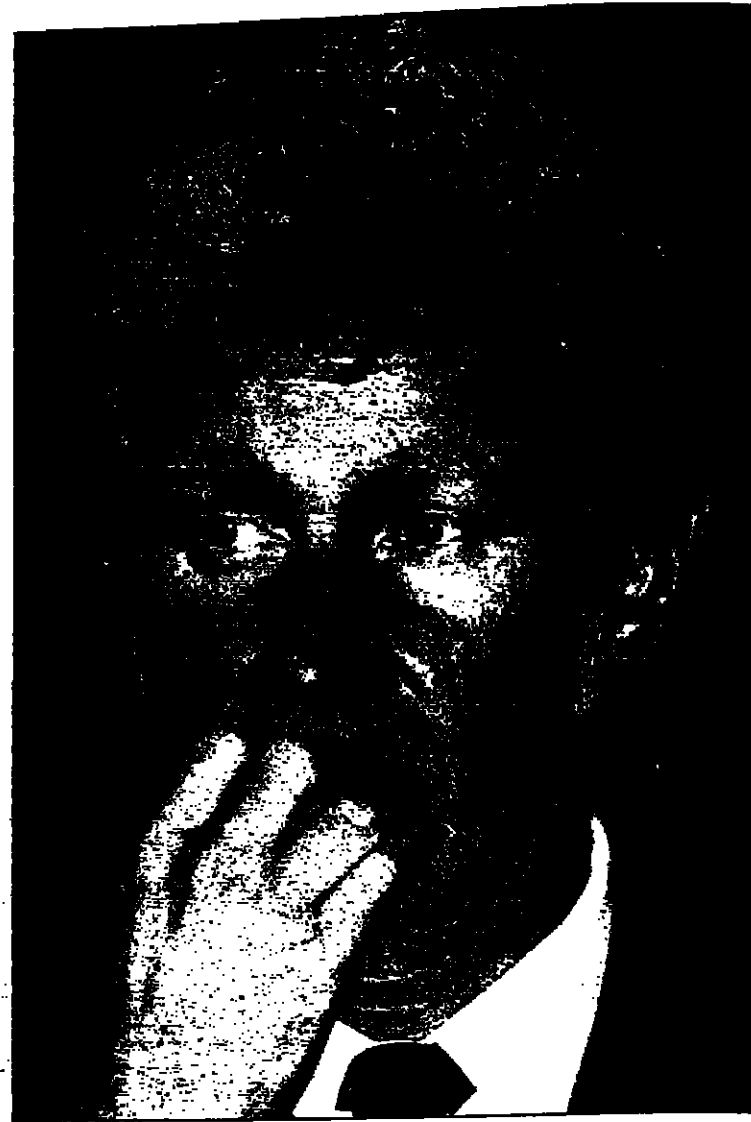
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6 Prescott may have been known affectionately as 'thumper' by his friends, but he denies that he hit Hayes 9

6 What Hayes describes as a punch in the stomach might seem to Prescott just a jab, but he says it was a punch 9



Prescott may sue over claims he hit Tory

By Colin Brown
Chief Political Correspondent

IT could be seconds out today for a libel action pitting John Prescott, the Deputy Prime Minister, in the red corner, against the diminutive former Tory MP, Jerry Hayes, in the blue corner.

Mr Prescott may affectionately have been called "thumper" by his friends in the 1980s, but he is threatening to sue Mr Hayes for claiming he hit the Tory MP when Labour was in opposition.

Mr Prescott's solicitors have warned that unless an apology is forthcoming, a writ would be issued for the allegation by Mr Hayes, now a political gossip columnist for Mohamed Al Fayed's *Punch* magazine.

The Deputy Prime Minister strongly denies hitting Mr Hayes in the stomach playfully or otherwise in the members' lobby of the House of Commons after Mr Hayes made some unflattering comments about him on the radio.

"It's just not true so he will be seeking an apology," said one

of Mr Prescott's friends. "He is certainly not ruling out the question of suing."

Mr Prescott, who learned to handle himself when he was in the Merchant Navy, recently demonstrated his self-control at the Brit awards when a member of the pop group Chumbawumba sought to gain publicity by throwing a bucket of water at him.

He was not in a forgiving mood following the incident. He later summoned the organisers of the awards to his office to give them a carpeting.

Mr Prescott could be the first member of Tony Blair's Cabinet to go to court if he decides to sue over the allegations made by Mr Hayes. The editor of *Punch*, James Steen, said the magazine was not publishing an apology, but was carrying four pages on its legal fisticuffs with Mr Prescott, with a front page photo-montage of the Deputy Prime Minister wearing a judge's wig.

Mr Steen said Mr Prescott's solicitors, Davenport Lyons, had sent a letter a week ago. "What they want is an apology

published in the magazine, a statement in open court publicly retracting the allegations and an undertaking we won't republish the defamation.

"We are expecting a writ tomorrow. We are not going to apologise. I have spoken to Jerry Hayes about this. Jerry Hayes is half the size of John Prescott. What he describes as a punch in the stomach might seem to John Prescott just a jab, but he says it was a punch."

After the dousing by Dan-bert Nobacon, Mr Prescott complained at the weekend

that it seemed to be "open season" against him after reports alleging that he had failed to declare £27,000 from the Joseph Rowntree Trust.

Sir Norman Fowler, Mr Prescott's Tory shadow, last night pursued the allegation by calling for an investigation in a letter to Sir Gordon Downey, the parliamentary commissioner for standards.

A spokesman for the trust said yesterday that Mr Prescott had approached the trust to fund a programme of research by Bruce Millan, the former Eu-

ropean Commissioner for the regions, into regional policy.

Mr Prescott's aides yesterday explained the circumstances to Sir Gordon's office. Mr Prescott declared the first instalment of the donation from the trust in the register of members' interests but under Sir Gordon's guidance set up a fund to handle a second payment which he did not declare because it was not paid to him.

Mr Prescott insisted that as the Joseph Rowntree Trust is a well-known charity which publishes its accounts, there was no

attempt to conceal the sum. Sir Norman said he entirely accepted Mr Prescott's statement that he derived no personal financial gain from the contribution. "That is not the issue at stake. The issue is whether money given to aid a specific policy investigation should be declared in the way that, for example, Jack Straw has done."

Mr Straw, Home Secretary, recorded a grant of between £10-£15,000 towards research on constitutional policy from the trust when Labour was in opposition.

Cabinet split over poll system reform

THE CABINET is still split over pressure from the Liberal Democrats to replace the first past the post voting system with proportional representation before the next election, writes Colin Brown.

Jack Straw yesterday signalled he would support a change to an alternative vote system, but the Liberal Democrats protested that did not count as PR. And sources close to the Home Secretary said he would not support a compromise, known as AV-plus, in which a proportion of MPs would be elected through a PR system.

"He quite passionately supports the link between MPs and their constituencies and he would not want to see that broken. AV-plus would do that," said one.

John Prescott, the Deputy

Prime Minister, is also reluctant to support PR. The Prime Minister has said he is not persuaded by the campaign for PR but has set up a commission chaired by Lord Jenkins, former leader of the SDP, which is due to report on possible reform to the voting system by the end of the year.

Mr Straw said yesterday that a referendum would be held before the election on a new system, but there was no commitment to implement the conclusions of the Jenkins commission for the next poll. Robin Cook, the Foreign Secretary, and Jack Cunningham, the agriculture minister, are known to support PR but Mr Straw and other opponents in the Cabinet are still as deeply entrenched as ever, and reports of a shift within the Cabinet are being dismissed.

'Legoland' building for MPs goes on apace around the country

By Anthony Bevins
Political Editor

More than £90m has been spent on a "Legoland" office block being pieced together for MPs at Westminster.

Construction of the £250m bronze and sandstone offices started in January, on the site opposite Big Ben where London Underground has been laying the new Jubilee Line.

But while the Parliamentary Works Directorate has been waiting for London Underground to complete and clear the site, a lot of the work on the new Commons office building has been going on around the country.

A project spokesman told *The Independent* that it had been decided to prefabricate as much of the new building as

possible, with work already substantially completed on sandstone columns from Derbyshire, granite plinths and walling, precast concrete floors, columns and arches. "All the flooring units come ready-made, and they'll slot on top of the columns; that's where talk of the Lego kit comes in," the spokesman said.

"The columns are individual stones, but they come ready-made in storey-high units with a big metal bar through the middle of them, and a bolt at each end to turn it together."

"The on-site job is really just putting it all together and bolting it up, and making sure it's wind and weather-proof." When it is completed, the new building will provide individual offices for more than 200 MPs and their staff, with six select-

committee rooms - one equipped for simultaneous translation - eight conference rooms, exhibition space, restaurant and canteen facilities, a post office and "a necessities shop". Already called Portcullis House, after the Westminster insignia, it is expected to be ready for occupation from the beginning of 2001. Sir Sydney Chapman, Conservative chairman of the all-party Commons Accommodation and Works Committee, has said that Michael Hopkins and Partners, the architects, had been commissioned "to produce a building designed for a life of 200 years or more, using materials of high quality, including natural stone, bronze and English oak, as befits a site of international importance."

But while the building is

being built to last, with roofing and windows made of aluminium and bronze, *The Independent* has been told that there is no question of furnishing it with the kind of luxurious fittings that have been commissioned in the existing Palace of Westminster.

The new building will contain none of the hand-printed wallpaper, or luxury furnishings, which provoked the recent row over the £650,000 redecoration of the Lord Chancellor's apartments.

"There will be no wallpaper at all in the building," one source said, "so we can scotch that one; there will be no hand-printed wallpaper."

The building will also be carpeted with carpet-tiles, rather than the hand-made, Pugin-design carpeting used in the

main parliamentary building. "We will be going to the manufacturers for a standard product," the project spokesman said. "It will be a plain background with a black spot on it, and the office furniture will be bought off the market. What the House decided was that we had to build a building which was not to the standards of the speculative office developer, knowing it was going to be pulled down in 30 years' time. We are building on the presumption that Parliament lasts for ever."

The £250m budget makes allowance for forecast construction price inflation up to the year 2000, and includes the purchase of the site, all fees and expenses, furnishing and fitting out costs, including value-added tax.

Landmine charity to get Army vehicles

By Anthony Bevins

THE Halo Trust is to be given 10 heavy-duty vehicles by the Government, to help with its mine-clearance programme. George Robertson, the Secretary of State for Defence, told the Commons yesterday.

An MoD spokeswoman said later that the trust, which was given high-profile support by Diana, Princess of Wales, had asked for help with equipment. The vehicles had been used by the Army in Bosnia.

Mr Robertson told MPs that the surplus equipment - "Volvo medium-wheel tractors" - were worth about £125,000 and would "considerably increase the rate of mine-clearance and the safety of operators".

He said that the Government would soon be destroying about a million anti-personnel landmines, retaining only a small number for mine-clearance and training purposes.

Since it took office, the Government has also doubled its humanitarian de-mining programme budget to £10m - available to non-government organisations, and others, for mine-clearance projects.

The Halo Trust, which will use the "tractors" in northern Afghanistan, and Angola, also operates in Cambodia, Mozambique and Chechnya.

Mr Robertson said: "I am extremely proud that this government has led the way in the campaign against anti-personnel landmines. These weapons are a blight on the face of the earth, and the sooner they are outlawed forever, the safer our world will be."

The minister also said that the Government had set up a mine information and training centre, and he added: "We will continue to use the expertise of the British Army, which is formidable, to make sure that they are able to help not only other military agencies but the civil and humanitarian charitable community with the work that they are doing, to deal with a weapons system that has damaged and killed so many millions of people."

New Deal scheme to get lone parents back to work goes nationwide

By Diana Coyle
Economics Editor

THE Government said yesterday that it had already earmarked almost £500m to help lone parents return to work. Next week's Budget is expected to provide an additional £1bn in help for all low-paid families.

The New Deal for single parents will next month be extended, earlier than first planned, from eight pilot schemes to all those across the country making a new claim for income support. From October, it will apply to all those whose youngest child is over five.

There will be an additional £6m from April and £25m from October, which will eventually pay for about 1,330 more personal advisers on top of the 80 involved in pilot schemes. The expansion will take government spending on this element of its New Deal to £181m, on top of £300m extra for childcare.

Harriet Harman, the Secretary of State for Social Services, told a conference in London that the Government was de-



Harriet Harman: Pilots have lifted 1,200 parents off benefit

lighted with the success of the pilot schemes, which had seen 1,200 parents move off benefit. "It is inconceivable that we could go back to what we had before," she said.

While there was huge enthusiasm for the new scheme among the advisers attending the conference, childcare was only one of the obstacles mentioned. One concern was the new fear among parents that they would lose their entitlement to the higher single par-

ent benefit if a new job did not work out.

Michelle Charlesworth, an adviser in Cambridge, said: "This has become quite commonplace in the past few weeks." The result was less willingness to think about hopping from one job to another, she said.

Robert Humphrey, a colleague working in Cambridge, said the lack of available jobs and transport outside the city were additional problems. But

some women had opted for self-employment or homeworking after their interviews.

The advisers were unanimous in their ability to help clients find work was the fact that they could spend more than an hour in an interview. Previously a Benefits Agency or Employment Service interview lasted no more than two or three minutes.

Experts such as Richard Layard, a Labour guru at the London School of Economics, have long emphasised extended interviews and personal attention as an effective way of reducing the number of people claiming benefit.

The personal advisers from the eight pilot schemes said that between one-third and one-half of the women they interviewed were getting job placements. Some involved deals with local employers, such as negotiations with Sainsbury's in north Surrey to try to get shift patterns that suit parents.

A full academic evaluation of the New Deal for lone parents is due to be published in the summer.

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Law reform may allow 'Hillsborough' damages

By Kim Sengupta

THE Government's legal reform advisers yesterday recommended changes to remove obstacles that prevented relatives of the Hillsborough tragedy seeking compensation.

Although the Hillsborough relations would not benefit, the reform would clear the way for future similar actions. It would also mean that the relations of those killed in road accidents would be able to claim damages.

Many of the relations of those killed or injured in the tragedy nine years ago had sued for the mental illnesses they developed as a result of the trauma. But nearly all failed to get compensation because they had only indirectly heard about the accident - on television or from someone else.

The Law Commission said the current law was drawn "unnecessarily tightly" and produced "arbitrary results". It suggested dropping the requirement that witnesses to a disaster should be "close in time and space" to the accident, and that they see it at first hand.

The House of Lords had ruled that by the time many relatives arrived at the stadium in Sheffield, they were too late to qualify for damages.

But Professor Andrew Burrows, the report's author, said: "You end up with the law having to decide whether you had come along in a sufficiently near period of time."

To win damages witnesses would still have to prove a "close tie of love and affection" with the victims.

And they would still have to demonstrate they had developed genuine mental illness.

"The law is not saying you can recover damages just because you are upset. There is a line - and we are saying there should continue to be a line - between a recognised psychiatric illness and mental distress."

The proposals came as Jack Straw, the Home Secretary, reaffirmed his view that there should be no new inquiry into the disaster.

Dumb or not? Nations go to war over the Teletubbies

By Rob Brown Media Editor

Nations were split down the middle yesterday, not on whether to bomb Iraq, but on the merits of the *Teletubbies*.

Debate became heated at the second World Summit on Television for Children when a delegate who accused Tinky Winky, Dipsy, Laa-Laa and Po of "dumbing down" kids around the globe was shot down in very undiplomatic language.

Ada Haug, head of preschool programmes with NRK in Norway, was dismissed as an "ignorant slut" by another speaker, Alice Cahn, director of children's programmes with the American public broadcasting service, PBS.

Ms Haug criticised the BBC's hit series, whose set, characters and initial storylines are reported to have cost the corporation £8.5m to establish. "Teletubbies is the most market-orientated children's programme I've ever seen in my

life," said the veteran Scandinavian television executive.

She also criticised the constant repetition, the poor plots and the fact that the series had no sense of place. "No wonder the series is proving so popular on the world's commercial channels," she hissed.

Ms Cahn, who acquired the series for PBS, was having none of this. "To suggest that Teletubbies signals a dumbing down is ludicrous," she shot back. "It's the most old-fashioned but new-fangled programme for young children I've ever seen."

To the shock of many of the audience in the Queen Elizabeth II Conference Centre in Westminster Ms Cahn then called Ms Haug an "ignorant slut". Later it was explained that this was not as rude as it may have sounded, being a reference to a line from a popular American television programme (although no one in the press gallery was able to establish which show).

Anne Wood, the creator of *Teletubbies*, later welcomed the



Old image, new image: The Teletubbies and presenters like Zoe Ball have come under fire for 'dumbing down', while Blue Peter is still held in high regard

fact that the public debate stirred up by the series had now assumed an international dimension. The creative director of Ragdoll productions said: "I know people would like to make a wax image of me and stick pins in it. But children have a right to enjoy themselves."

She argued that programmes for young children were not designed to be an answer for the world's ills. Those aimed at pre-school youngsters should be a mirror of their own lives and a window to the experiences of other children.

She acknowledged that some delegates might not be able to identify with the green grass of Tubbysland, and said she would be honoured to use film footage from abroad.

Research into the effects of the programme on children had shown it was "entirely positive... It helps them to develop

speech and those having difficulties are helped by it".

She was backed up by Roy Thompson, of Children's BBC, who said that the impact of the show had been closely monitored: "When parents get together to talk about the programme they noticed how

effective it had been," he said. "It appears as entertaining, but they are gaining things from it."

That view was challenged by Patricia Edgar, head of the Children's Television Foundation in Australia and organiser of the first world summit on children's television three years ago, who claimed the series was regressive for children "beyond the babbling stage".

EU warned of chaos if duty-free sales end

By Glenda Cooper
Social Affairs Correspondent

ABOLISHING duty-free sales on ferries and aeroplanes travelling between European countries will result in chaos, according to a study by the Duty Free Confederation.

It warns that customers could be put in the "farical" situation of paying different prices during one ferry journey.

A ban on duty-free sales from 1 July 1999 has been agreed by European Union governments - but the commission is under pressure to reconsider the impact of abolishing the perk on boat and plane journeys. The duty-free business is worth £5bn a year across Europe and as many as 140,000 jobs could be lost.

EU duty-free sales are said to account for more than half worldwide duty-free turnover of nearly £10bn. Sales at EU airports alone are more than a quarter of the world's total.

Under EU rules the excise duty on alcohol and tobacco is charged at the rate which

applies in the country where the purchase is made. But after the abolition of duty-free, things become more complicated.

"In one of the simplest cases - let's say Dover to Calais - you will pay UK excise rates up until the half-way mark and then pay French rates after that," said Vic Moorcroft, P&O group indirect tax manager. "When you get into international waters no law applies that requires operators to charge any duty."

The Portsmouth-Bilbao ferry (a journey of 36 hours) spends just under an hour in British waters, 15 minutes in French waters, 15-20 minutes in Spanish waters and the rest in international waters. "It could all come down to where you are in the queue," Mr Moorcroft said. "It's a mess."

One solution mooted would be a similar system to VAT where the rate charged is that in the country of departure. "But we already know what that is costing the UK Exchequer by people rushing over to French hypermarkets," Mr Moorcroft added.

"This would exacerbate it." The duty-free industry wants the commission to organise a study of the social and economic effects of abolition.

The Conservative MEP James Elles, who also wants a study, is tabling questions to the commission highlighting the "serious concern" about the consequences of abolition. "Some 140,000 jobs - 35,000 of them in the UK - are dependent on duty-free trade," he said. "At a time when the European Union is trying to reduce its unemployment figure of 17.7 million we should not be in the business of unnecessarily destroying jobs."

The EU Financial Services Commissioner, Mario Monti, who originally proposed scrapping duty-free, said there would be no reprieve, and no massive losses of jobs and turnover as predicted by duty-free supporters. "People are used to going shopping while they are travelling, and that will not change," he said. Duty-free was an anomaly in the border-free single European market.



From Dover to Palma, how duty-free compares

ALCOHOL	
Gordon's gin 1 litre	UK high street: £15.49
Heathrow: £7.95	
Dover - Calais, P&O Star Line: £9.99	
Britannia Airways: £8.99	
Palma Airport Majorca: 1,900 pesetas (£7.60)	
CIGARETTES	
200 Silk Cut	UK high street: £32.30
Heathrow: £14.50	
Dover - Calais, P&O Star Line: £15.50	
Britannia Airways: £13.99	
Palma Airport Majorca: 3,600 pesetas (£14.40)	
WATCHES	
Swatch "original classic"	UK high street: £25
Heathrow: £21.27	
Dover - Calais, P&O Star Line: £21.20	
Palma Airport Majorca: 5,500 pesetas (£22)	
PERFUME	
Chanel No 5, eau de toilette spray, 50ml	UK high street: £36.50
Heathrow: £27.90	
Britannia Airways: £27.99	
Palma Airport Majorca: 6,700 pesetas (£26.80)	

GTech defends its ethics to lottery watchdog

THE National Lottery regulator, Oflot, is expected to make a swift decision on the future of GTech, shareholders in Camelot, after receiving a submission from the company yesterday about its business practices. GTech responded to a demand by John Stoker, Oflot's acting head, that it supply documents proving that it is "fit and proper" to be involved in running the lottery. A libel jury decided last month that Guy Snowden, the former head of United States-based GTech, had tried to bribe Richard Branson into withdrawing his bid to run the lottery. Mr Stoker said the company must dispel concern about its ethics and business practices.

■ Ten million £1 scratchcards aimed at raising money for the Diana, Princess of Wales Memorial Fund went on sale yesterday, launched by the pools company Littlewoods.

— Kathy Marks

Prisons chief wins backing

THE Government yesterday rallied to the defence of the beleaguered Chief Executive of the Northern Ireland Prison Service. Alan Shannon is reeling from an unprecedented vote of no confidence in him by the Prison Governors' Association, which says morale at Ulster's top-security jails is desperately low.

A report is due out next week into the murder of the Loyalist Volunteer Force leader Billy Wright inside the Maze Prison at Christmas and the earlier jailbreak by the IRA terrorist Liam Averill. The Northern Ireland security minister, Adam Ingram, yesterday gave his support to Mr Shannon, who he said had been "carrying out a difficult task under very trying circumstances in recent times."

Move to help black recruits

THE Government's drive to encourage more ethnic minorities to join the Armed Forces may allow new black recruits to serve together in "blocks" to prevent isolation within the services.

The defence minister, John Reid, told the Tory MP Nicholas Soames that this would help to prevent new recruits from being "exposed to those elements who wish to remove from the Armed Forces". He said the Ministry of Defence was working with the Commission for Racial Equality on this "difficult matter".

Landslide linked to tremor

AN EARTH tremor may have been responsible for a landslide which has blocked the main road through Scotland's Kintyre peninsula. Up to 300 tonnes of rock - one the size of a small house - crashed down on the A83 near Lochgilphead on Saturday, blocking the main road. Police said the road was expected to reopen today, but council officials are studying the possibility of alternative ferry routes if the closure is prolonged.

Antler case prize

ENTRIES for our competition in the Time Off section to win an Antler suitcase have been overwhelming. The five winners for the cases, which come from the "New Directions" range - have already been selected. The entries are now closed. Names and addresses of the winners can be supplied on request.



Roache: Turned down out-of-court settlement

THE *Coronation Street* star William Roache is suing a law firm for negligence over its handling of his libel action against the *Sun* in 1992. Mr Roache, who plays Ken Barlow, won his action over a claim in November 1990 that he was boring as his screen character and hated by his television colleagues.

He is suing the London firm Peter Carter-Ruck & Partners after paying both sides' costs when the jury awarded him £50,000 - an amount the *Sun* had paid into court in an at-

tempt to settle the claim and avert a trial. Costs swallowed the £50,000 he won and left him a six-figure bill as well.

Nigel Tait, a partner in the firm, said: "He is alleging he wasn't given the right advice about payments into court. After the trial he was awarded his costs by the judge and wrote a very appreciative letter to Mr Carter-Ruck thanking him for all he had done. But the Court of Appeal interfered over the judge's order on costs. This is highly unusual but over the

years the Court of Appeal has been moving steadily to reduce payments on libel."

The new case, scheduled for June, will draw attention to payment into court, used to encourage an out-of-court settlement. A plaintiff can accept the money or carry on to trial to win more. But if the eventual award is the same or less, the plaintiff must pay both sides' costs from the date of the payment into court, including for the trial.

Had Mr Roache been awarded £50,001, the paper

would have had to pay his costs and its own. The *Sun* said in a statement at the time: "Mr Roache has learned the first lesson of libel, which is that if you don't like losing, don't play the game. He could have had £50,000 and a full apology..."

Mr Roache, 65, looked likely to escape the costs at first when a High Court judge ruled that he was justified in pressing on to trial to seek an injunction banning the *Sun* from repeating the libel. But the Court of Appeal disagreed, saying he

could have had an undertaking not to repeat the libel had he accepted the settlement.

Lord Justice Stuart-Smith said a pre-trial payment into court was "a most useful weapon in the hands of a defendant faced with a greedy plaintiff who is making unreasonable demands for damages". The then Master of the Rolls, Sir Thomas Bingham, said Mr Roache had gone ahead "because he wanted to win a larger sum from the jury than the defendants had offered".

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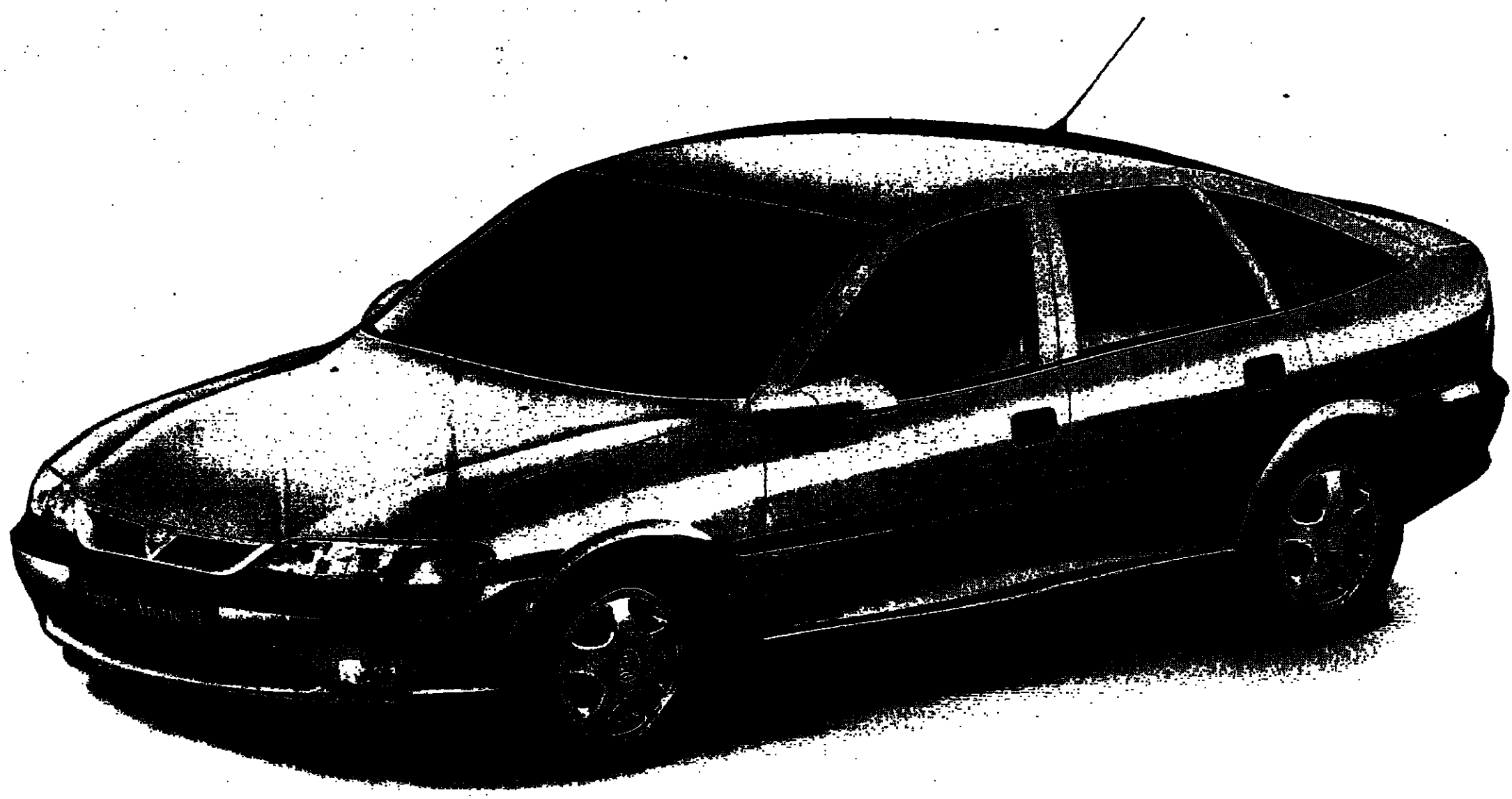
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The star: Astronomer Patrick Moore inspecting his cake at his 75th birthday party at the Hilton hotel in London yesterday

Photograph: Rui Xavier

Foster boy's sex victims face a fight for cash

A COUNCIL which placed a teenage sex abuser with a foster family yesterday launched a legal battle to stop four children claiming damages for negligence against the authority.

At the start of a test case in the Court of Appeal in London, three judges heard that it revealed "a terrible story" bound to evoke sympathy for the foster family.

Essex County Council and a social worker are appealing against the decision last July of a High Court judge, Mr Justice Hooper, refusing to strike out claims made by the four children. They were sexually abused by a 15-year-old boy fostered with their family for a month. Lord Justice Stuart-Smith,

Lord Justice Judge and Lord Justice Mantell will also hear an appeal against the decision of Mr Justice Hooper blocking a compensation claim by the parents for the trauma suffered after the boy sexually assaulted their children.

Although Mr Justice Hooper gave the go-ahead for the children to claim in negligence, they are appealing against his decision to rule out other areas of their case, including alleged breach of contract.

Allan Levy QC, for the foster family - referred to as the "W" family for legal reasons - told the three judges: "This case raises important issues concerning the duties of the authority and its social worker in respect of the placement of a child with foster parents."

The 15-year-old boy, referred to as "G", was placed with the family in 1993 when the four children were aged between 7 and 12.

The High Court had been told that G had been cautioned three years previously for indecent assault on his sister.

The children in the W family

were said to have suffered psychiatric illnesses as a result of what he did to them and the parents were said to have suffered from post-traumatic stress on discovering the nature and extent of G's activities.

Mr Levy said Essex County Council, in its written argument to the court, stated that on any view the case "reveals a terrible story, bound to evoke sympathy for all the W family".

The parents had applied to Essex in about November 1991 to become full-time adolescent foster carers.

They claimed that when they asked about the 15-year-old they were told only that the boy could be a bully and a liar and that his father, a convicted paedophile, had abused him.

The parents say that had they known the boy had gone into care at the age of 12 after abusing his sister they would not have taken him into their home.

Mr Levy claimed that Essex was seeking "blanket immunity". The council contends that the children have "no cause of action" against it.

The hearing continues.

DAILY POEM

O Sinner Man

(transcribed by Christine Rutledge for The Carolina Singers)

O sinner man, O sinner man,
O sinner, O which way are you going?

O come back sinner, and don't go there,
Which way are you going?
For hell is deep and dark, despair,
O which way are you going?

O sinner man, O sinner man,
O sinner, O which way are you going?

Though days be dark and night be long
Which way are you going?
We'll shout and sing till we get home;
O which way are you going?

'Twas just about the break of day,
Which way are you going?
My sin forgiven and my soul set free,
O which way are you going?

Shortly after the American Civil War a group of former slaves toured the northern states as The Carolina Singers, raising money for black schools. Their leader, Caroline Rutledge, published the traditional songs they sang in 1873, in a pamphlet entitled *Spirituals*. This was the first appearance in print of many of the best-loved lyrics in the English language, such as "Go Down, Moses", "Swing Low, Sweet Chariot" and "Steal Away". A selection appears in *Nineteenth-Century American Women Poets: an anthology*, edited by Paula Bernat Bennett (Blackwell, £15.99).

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Big powers try to get tough with Milosevic

By Rupert Cornwell

WITH the partial and last-minute assent of Russia, the United States and major European powers yesterday adopted a package of sanctions to force the Yugoslav President, Slobodan Milosevic, to negotiate a peaceful and political settlement of the bloody crisis in Kosovo.

After a frantic morning of bargaining, which extended their meeting by more than two hours, the foreign ministers of the six-nation Contact Group agreed to place an

arms embargo against the Federal Republic of Yugoslavia before the United Nations Security Council, and to ban exports of equipment which could be used for internal repression.

These steps had initially been ruled out by Russia's representative, the deputy Foreign Minister Nikolai Afanasyev. But Robin Cook, who was chairing the meeting at Lancaster House, then Madeleine Albright, the US Secretary of State, and finally Klaus Kinkel of Germany spoke with the Russian Foreign Minister Yevgeny Primakov by

phone for 30 minutes in all to win his approval, and a second closing statement was distributed to reporters, incorporating the changes.

Thus was the meeting, billed as the moment when the West would read the riot act to Mr Milosevic, saved from virtual failure. Without Russia, Yugoslavia's chief arms supplier, an arms embargo would have been meaningless. Now, British officials said last night, Russia will not use its veto when the matter comes to the UN, perhaps within days.

The five other Contact members

— Britain, the US, France, Germany and Italy — will also refuse visas to Yugoslav and Serbian ministers and senior officials responsible for the violent clampdown in ethnically Albanian Kosovo in which at least 80 people have died, and will halt financial support for trade and investment, including Yugoslavia's privatisation programme, whose proceeds analysts believe go directly into strengthening the police and military who carried out the brutalities.

Russia says it cannot back these moves, but will review its position if

Mr Milosevic remains intransigent. The Contact Group is giving him 10 days to withdraw his special police units from the province, allow access to the Red Cross and commit himself to dialogue with the Albanian majority. Failing that, the Five will impose a freeze on foreign-held funds of the republic and Serbia.

In addition, the group is demanding that Mary Robinson, the UN High Commissioner for Human Rights, be allowed to visit Kosovo, and wants the Yugoslav War Crimes Tribunal to indict anyone suspected

of committing such offences in Kosovo.

The West is determined not to allow a repeat of Bosnia, whose civil war from 1992-95 might have been cut short had the West acted quickly and decisively. "This crisis is not an internal affair of the Federal Republic of Yugoslavia," Mrs Albright told her colleagues. That, however, is precisely the point where Russia takes issue with the others. They see Kosovo as a second Bosnia in the making — "ethnic cleansing all over again," in Ms Albright's words — and

a potential powder keg for the entire southern Balkans. But Russia sees above all the parallels with Chechnya, part of the Russian Federation whose own independence struggle was savagely put down by Moscow in the face of intense international criticism.

The question is, of course, what happens if President Milosevic ignores these threats and sanctions as he has ignored so many others in the past? The next steps would be an end to air links, perhaps a wider trade embargo.

Survivors of Serb massacre refuse to bury their dead

By Andrew Gumbel
in Pristina

SURVIVING relatives of Albanian families decimated by Serbian paramilitary police in the village of Prekaz, in Kosovo, caught their first glimpse yesterday of the charred and shell-battered bodies of their loved ones as more than 40 corpses, including several women and young children, were transported back to the combat zone for burial.

The bodies, which had been under guard in the main morgue in Pristina, the provincial capital, were taken under cover of darkness on Sunday to Srbice, the town nearest Prekaz, which bore the brunt of fighting and is now a smouldering wreck. Pictures smuggled by reporters for the newspaper *Koha Ditore* showed men, women and children charred and disfigured by the shelling and fire-bombing the security forces rained on Prekaz for three days. One picture showed a child no older than five; the oldest victim was said to be a 92-year-old man.

The bodies were numbered

and lined up in a shed in Srbice. Albanian sources said police were pressing the families to bury their dead quickly, on pain of having them tossed into a communal grave. But the families, supported by rights organisations and political parties, said they wanted international forensic experts to examine the bodies first and collect evidence for any future criminal proceedings against the Serbian authorities.

"The signs all point to a massacre. We have clear and undeniable evidence," said Veton Surroi, *Koha Ditore's* editor and a prominent Kosovo Albanian rights campaigner. He put the number of bodies counted so far at 52, but said the toll could rise above 70 because there were still corpses in woods that relatives were unable to collect for fear of snipers. Last night villagers were still negotiating the recovery of the other bodies, some of which they said had been attacked by wild dogs.

From the pictures it was impossible to count the women and children. Several bodies were charred beyond recognition. But it was clear the offi-



Cutting edge: A Kosovo Albanian with a cut-out flag during the rally yesterday in Pristina, attended by more than 100,000 people

Photograph: Reuters

fringes with their sticks. But there was nothing to compare with the brutality of the water-cannon, tear-gas and baton-charges with which they met similar protests a week ago.

The main Albanian party, the LDK, was not about to crow victory. "It's just a game the Serb regime is playing," said party spokesman Hilmi Zogjani. "They know there is a lot of international pressure, so they are pretending to be good guys for once. You only have to look at what they've done in Drenica to see through them."

The demonstration was marred by the presence of plainclothes police who stared at the noisiest protesters and threatened to track them down once the international television crews had switched off their equipment. As the demonstrators dispersed, Chris Wenner, a cameraman for ITN and Channel 4, was hauled through a doorway along Pristina's main street, robbed off his cameras and beaten. When he emerged, he had a large, swollen cut above one eye and blood streaming down the left-hand side of his face.

Turkey refuses consolation prize of seat at EU party

By Katherine Butler
in Brussels

BASIL Fawley might not look out of place if he showed up at Lancaster House in London on Thursday. That is when the leaders of 26 European nations will, at the invitation of Tony Blair, cram into a conference room surrounded by teams of officials, phalanxes of interpreters and armies of foreign ministers, to talk about pollution of the Danube, car-theft and drugs, in other words nothing much.

Logistical chaos has already been assured by Italy's insistence that all 26 speeches must be simultaneously interpreted into all 11 of the EU's official languages. That means herds of interpreters piled into airless glass booths in a room that is already too small for the participants.

British taxpayers will be £1.15m worse off by the time the leaders return home on Thursday evening, having spent three hours at a conference-opening ceremony and two hours lunching with the Queen.

Called to mark the launch of the European Conference, the event will bring together the 15 EU heads of government, and the prime ministers of the applicant countries — Poland, Hungary, the Czech Republic,



At loggerheads: Turkey's Yilmaz (right) has accused German Chancellor Kohl of acting like Hitler

Slovenia, Estonia, Bulgaria, Romania, Slovakia, Lithuania, Latvia and Cyprus. The presidents of the European Commission and the European Parliament and the secretary-general of the Council of Ministers will also attend, bringing the number of participants to 30. But like brides left waiting at the altar, Mr Blair and the Queen will be hosting an event where the guest of honour never appears. The chair marked "Ankara" will sit empty, the food prepared for Prime Minister Mesut Yilmaz will go uneaten and no one will mention Turkey.

The European Conference was devised as a permanent fo-

rum where all EU aspirants could review progress with existing members of the club. Then last December, Turkey, banging on the EU's doors since 1963, was sidelined as 11 others were nominated for admission.

Quick thinkers at the Foreign Office came up with a consolation prize: an invitation to the launch of the European Conference. But if Turkey was on the guest list, insisted the Germans, then there would be strictly no mention of EU enlargement. Suddenly the conference was about crime, drugs, the environment, anything in fact, except enlargement.

Now, the scorned Turks are

not coming and worse, they are daring to mention the war. "Lebensraum" thundered the Mr Yilmaz in an interview with the *Financial Times* last Friday in which he compared the German Chancellor, Helmut Kohl, to Hitler. "The Germans continue the same strategy as before. They believe in Lebensraum... their final goal is to divide Europe between Bulgaria and Turkey."

Turkey's very public snub removes any reason d'être the meeting might have had. "It's a joke, an expensive photo-call" said an EU diplomat. "We have heard a lot about royal protocol for the lunch but we still don't know what they really want to achieve," said one East European country official. Critics point out that the ceremony to launch the enlargement negotiations takes place in three weeks time anyway and a very good talking shop already exists in the 38-nation Council of Europe.

Mr Blair's hopes that the event would help make the Turks feel included in the "European family" have already back-fired. Indeed, television footage of the "chosen" ones trooping in to see the Queen could it be feared, damage strained relations with Turkey to the point of no repair.

France snubs Blair over new Euro club

By Katherine Butler

FRANCE delivered a slap in the face to Tony Blair's EU leadership ambitions yesterday by proposing that Euro-X, a new economic policy club, reserved for countries joining the single currency, should be launched on 19 May.

The French want the co-ordination of economic policy within the Euro-zone to begin shortly after the 3 May selection of the first wave of single currency members. But such insensitive timing would highlight Britain's political marginalisation following the Government's decision to rule out joining the single currency for now.

For Gordon Brown, the Chancellor, the move would represent a very public snub. He is chairman of EU finance ministers' meetings until July, but now faces being relegated to another room with his Danish Greek and Swedish colleagues.

The French finance minister, Dominique Strauss-Kahn, is expected to seek German backing for the early launch of Euro-X when he meets his German counterpart, Theo Waigel, bilaterally in France today. "As soon as we know for definite who is in EMU we will have a lot of things to co-ordinate, but we also have to decide on the structure and organisation of the committee even if it will be informal," said a senior French official.

Euro-X gave Tony Blair, his first big row with EU partners in December when heads of government formally agreed to its establishment. In Brussels yesterday, Mr Brown clung to the Government's claim that Britain would not be excluded when "matters of common interest" are being discussed.

But the French said yesterday that they will retain a veto over the UK's admission to the club. "The UK will no doubt say they should be in every time we meet but it is absolutely a question for the 'ins' whether something is of common interest. And it is the ins who decide what the outs should be told afterwards," a senior adviser to Mr Strauss-Kahn said.

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Rotting hulks bear witness to wasting of Iraq

"FIVE Englishmen ran this port until 1958," Ali al-Imara proudly announces. "The first chairman was John Ward, from 1919 until 1942, and then we had William Bennett until 1947. They were very good men."

"In 1958, Mr Shaawi took over; he was a very good man too." There is no mention of the 1958 Iraqi revolution that ended British stewardship of Basra's old harbour.

Today the gates to the wharf are still adorned with well-polished Tudor roses in heavy brass, but the slates have cascaded off the roofs of the old colonial offices. The railway lines, laid down when Basra was

Robert Fisk visits the once-bustling port of Basra, crippled by sanctions

an international rail terminal, are corroded with weeds.

The great sluggish waterway of the Shatt al-Arab drifts past the hulks tied up on the quays. Here is the *Yasmine*, a trawler under whose black paint it is still possible to read the words "Lord Shackleton, Port Stanley, FI (Falkland Islands)"; and there the *Wisteria*, all 6,742-blackened tons of her.

Who set fire to her, I ask three Iraqi officials on the quay? "An Iranian missile hit it in 1981," one of them replies. But his friend mutters in Arabic: "Tell him it was the Americans." Then they all chorus: "It was the Americans!"

Basra lives on lies. If only the Iraqis hadn't attacked Iraq and closed the river in 1980 (it was the Iraqis who invaded Iran). If only the UN had not slapped sanctions on Iraq after the Iran-Iraq war (forget the little matter of Kuwait in 1990). Even the ships have changed their names in embarrassment. The supply ship *Alco Sam*, according to a half-erased name, used to be the *Pacific Prospector* of Illinois and, before that, the *Northern Builder*.

Behind us, the marshalling yards are filled with long freight trains, massive grey wagons hooked up to leave on a journey that should have started in 1980, the trucks now entangled with weeds and bushes. Mr al-Imara strides along the docks. "If it wasn't for sanctions, we would have this port dredged and running," he says.

It is an odd affliction that now besets Iraq's bureaucracy. Tattered to boast of all that is best about Iraq, they now have to publicise all that is worst. It must be an awfully difficult transition. For who knows when the orders might come down from Baghdad to reverse the process yet again? Mr al-Imara says he is a poet as well as being "foreign relations adviser" to Basra port. And he quotes a work of his called *Confrontation*:

"When you shoot with a bullet from anywhere, The bullet will head straight for my chest;

Because the events through which we have passed Have made my chest round."

And we look at Mr al-Imara's rather diminutive chest and laugh politely. Whose bullets, we wonder silently, is the poet referring to? Surely not those which scar the facade of Basra's central police station, still a gutted marble shell beside one of the city's fetid canals. Certainly not those which smashed into the burning governorate building during the same 1991 uprising by Basra's Shiite Muslim majority. And not the bullets which were fired into the city's police cars. On the grainy old television in our hotel room, President Saddam Hussein is seated before his Revolutionary Command Council, making a joke at which his uniformed courtiers guffaw.

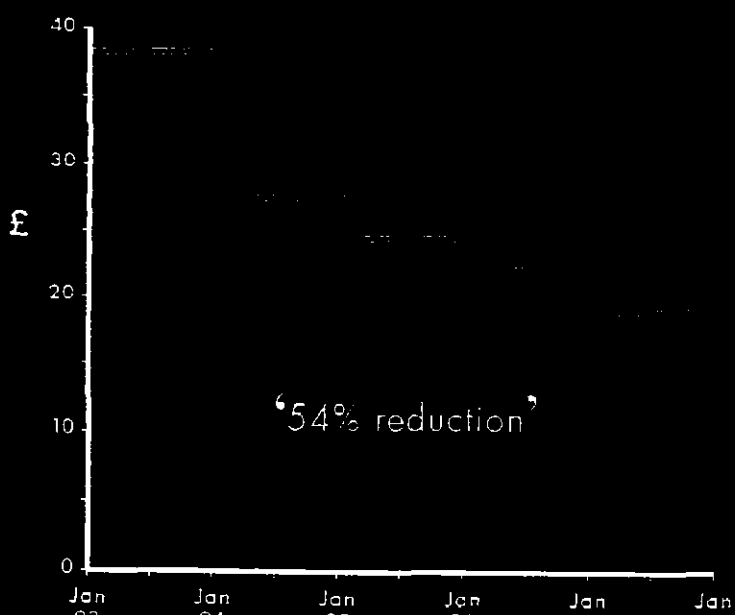
The Corniche of Martyrs corrects any misapprehensions about the enemy. For along the west bank of the Shatt al-Arab, below the dank portals of the Basra Sheraton hotel, stand the dead heroes of President Saddam's "Quadrassiyeh" war, the chosen two dozen Iraqi soldiers - out of perhaps half a million - whose death will not have been in vain. Each man, modelled from photographs, points across the muddy waterway towards the precise location on the war front, inside Iran, at which he died during a war which President Saddam named after Iraq's ancient victory over the Persians.

The soldiers, three times life-size, are identified by name, along with a colossus down the bank representing General Adnan Khairallah, one of the greatest of all Saddam's military leaders. He stands facing his cannon-fodder, right arm raised in honour of their courage; though we must spare a thought for the enormously popular general, who died "tragically," in a helicopter crash not long after the war ended. Below these statues, the street urchins hawk nuts parcelled in old newspaper at eight pence a package.

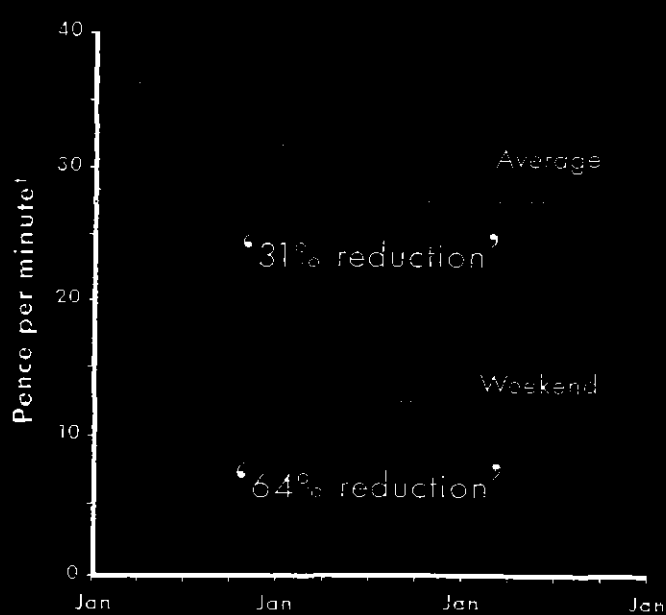
They are as far as they can get from the food chain, at the furthest corner of Iraq, clamped between Iran's suspicions to the east and Kuwait's hatred to the south, dominated by rusting ships and the towering dead. What would Mr Ward and Mr Bennett make of all this?

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Money pours in for child war victims

By Amanda Kelly

A WEEK has gone by since Robert Fisk began his reports on the plight of Iraq's children and *The Independent's* appeal has already raised nearly £10,000. The money is going to help children struck down by leukaemia because of weapons used during the Gulf War. Many are dying because of a lack of medicines and it is towards importing these cancer-treating drugs that your donations will go.

Officials of the UN sanctions committee and the British government have said authorisation for medicines of this kind could be issued with minimum delay. Every application for export of medicines must be separately approved by the Department of Health, the Foreign Office and the Department of Trade and Industry.

We have called on Care International and Medical Aid for Iraqi Children to help oversee their procurement and delivery from start to finish. Both groups are already working in Iraq.

Care International's Lockton Morrissey, who is based in Iraq, explained the path our consignment will take once it is shipped into Jordan. "The goods will come into Aquaba port where they will be tested by the ministry of health to make sure they are what we say they are. Because of the no-fly restrictions on Iraq we



then have to transport the drugs by road, in refrigerated trucks.

"When a delivery gets to the Iraqi border we have to present documentation to show that it is authorised under the sanctions. After further checks in Iraq, it will carry on to the ministry of health in Baghdad and be checked again. It will then be released to us to distribute."

The drugs will be administered by well-qualified doctors to those who most need them. Professor Soad Tabaqchali, medical director of Medical Aid, said: "The capability of the Iraqi doctors is not in question. Most of them have been trained in Britain and are very highly qualified. But sanctions have left them in the impossible position of having nothing to treat their patients with."

The help of *Independent* readers will allow these doctors to save lives that would otherwise be lost.

Please send cheques, made out to The Independent Iraq Appeal, to PO Box No 6870, 1 Canada Square, London, E14 5BT.

مستشفى الامم

Army on alert for Suharto's re-election

By Richard Lloyd Parry
in Jakarta

PRESIDENT Suharto will be re-elected today as Indonesia's unchallenged leader for a seventh consecutive term, against a backdrop of student protests and economic confusion.

There were protests in at least three cities in the central island of Java yesterday, although those in the capital,

Jakarta, ended peacefully and were confined to the university campus.

The stand-off between the government and the International Monetary Fund over the IMF's proposed rescue package for Indonesia's economy generated another choppy day on the currency exchanges. However, the Indonesian rupiah strengthened by the end of trading despite an earlier drop.

Hundreds of students at the University of Indonesia and at the Catholic Atmajaya University in Jakarta protested against Suharto's imminent re-election. Thousands of police and army reinforcements have been brought in to patrol the centre of Jakarta, and in the city of Yogyakarta in Java, six students were reported to have been arrested on Sunday after leading a street demonstra-

tion. In an interview with an Indonesian magazine, the chief of the armed forces warned that uncontrolled protests could lead to the collapse of the country.

"What is clear [is that] I do not want this nation to break up because of the acts of irresponsible people," said General Wiranto. "If it is allowed to go in the direction they want, the situation

will become very dangerous."

The rupiah closed in Jakarta at 10,800/11,100 to the US dollar, after losing 11 per cent of its value in the morning. The financial turmoil followed suggestions by President Suharto that his government may abandon the IMF's \$43bn (£27bn) rescue programme for Indonesia. The president is angry over the IMF's decision to delay next week's instalment of

\$3bn. Indonesia's foreign minister, Ali Alatas, later denied that the government intended to abandon the plan, but another senior politician was quoted in the *Indonesian Observer* as warning that any IMF attempts to "humiliate" the country will be rejected.

This morning's expected announcement by the People's Consultative Assembly (MPA) of the re-election of President

Suharto follows 10 days of ritualistic deliberations from which dissent was scrupulously filtered out.

Of the 1,000 assembly members, 400 are appointed directly by President Suharto. Most of the remaining 600 are members of his Golkar Party. Even members of Indonesia's so-called opposition must be approved by the government, which has used its powers to ex-

clude anyone who might offer a challenge to the president. Suharto, together with his chosen vice-president, B.J. Habibie, are the only candidates. To eliminate any possibility of dissent, the ruling party has warned members of the assembly that "interruptions" to the re-election ceremony will not be tolerated.

Battle looms, page 18

Four years on, and black still rarely meets white

THE sound of a saxophone drifts sedately down 7th Street heralding another Saturday night's jazz at the chic Bass Line club in Melville, one of Johannesburg's white suburbs. At the rather garish Red Barrel near by, hundreds of teenagers - almost all white - are giving their all to the karaoke machine. But the candlelit Bass Line, as any humble jazz fan will tell you, attracts a more discerning crowd. The club also boasts a rare Johannesburg phenomenon: a genuine, real McCoy, racially mixed crowd.

When I say mixed, there are qualifications. There are blacks and whites in the same room but not often at the same tables. It is rather like those Venn diagrams in school maths where the circles never intersect because they have nothing in common. Still, it is a remarkable sight in a city where most people only meet "the other" at work. After hours, they generally head back to the old apartheid-era territories: blacks wait in long queues to be stuffed into minibuses bound for outlying townships while whites drive home to the plush northern suburbs. The most terrible shame is that Johannesburg city centre - considered by everyone as dangerous after dark - provides no neutral ground for socialising.

The enduring divisions are a source of deep frustration to outsiders. They rob life in South Africa of a great deal of its richness, for foreigners are not exempt from the racial pigeonholing. In the quest for common ground it rarely helps to play up Scottishness, femaleness or your upbringing on the council estate. Apartheid has obliterated interest in any form of discrimination or disadvantage other than that based on race. "You're just another rich white South African to me," was the way one black official bluntly put it.

JO'BURG DIARY



Mary Braid

Imagine, then, the sheer relief of the Bass Line. The concern is that four years after democratic elections there are still so few places like it.

If music can act as a social glue, sport, too, retains a little of its adhesive potential, although nothing like the power naively invested in it in those early heady days of the new democracy. White South Africans still speak about black preference for soccer and white for rugby as if it were in the genes; and they use the dichotomy to explain the continuing divisions among pupils in some schools.

But at the local Holiday Inn last weekend South Africa's game with Egypt in the final of the African Nations Cup brought blacks and whites together. There was a touch of the old Venn diagram about the seating arrangements in the bar but never mind; there was a whiff of togetherness.

Trouble after the match was forecast. The cops were a little nervous after the New Year celebrations in run-down inner-city Hillbrow, where residents welcomed in 1998 by throwing refrigerators from sixth-floor windows. But despite the 3-0 defeat there was no trouble. Instead thousands of fans - black and white - went to the airport to welcome the boys back with Jehu Sono, the caretaker coach, who

spiced up proceedings by revealing he had left the team for two days during the Burkina Faso tournament to return home to consult a witchdoctor and his ancestors about the team's chances.

It is hard to say whether that affected his popularity but the debate about whether Sono should stay on as coach has raged all week. Blacks inundated radio chat shows normally dominated by white callers; soccer has generated a rare burst of public cohesion.

But sport's limitations as a national healer became clear yesterday when bitterness over the continuing "whiteness" of South African rugby came to the Pretoria High Court. President Nelson Mandela took the advice of his lawyers and delayed his appearance in court, where he was to face questions about an official investigation into racism in rugby. The South African Rugby Football Union (Safu), which brought the case, is refusing to co-operate with the government inquiry into its finances and management.

It is far from the euphoric day when President Mandela donned the Springbok jersey, the detested symbol of white domination, in the spirit of reconciliation. Since then relations between the government and Louis Luyt, Safu's president, have degenerated dramatically. Sports minister Steve Tshwete says that while enemies to reform lurk everywhere, nowhere are they more entrenched than at Safu's headquarters.

Rugby is accused of doing nothing to encourage black talent or to darken the collective complexion of the national team. Cricket has come in for similar criticisms. A year away from the second national elections many South Africans are growing tired of the slow pace of social change.



Dancing queen: Cheryl Carolus, the new High Commissioner in London

Photograph: Popperfoto

South Africa's whirlwind hits town

By Job Rabkin

THE first black woman to represent South Africa in Britain pledged to let the winds of change blow through the colonial splendour of London's South Africa House, and to give the diplomatic cocktail circuit a wide berth.

Cheryl Carolus, 40, who arrived in London last week to take up the post of High Commissioner, said: "It's a myth that diplomats lie through their teeth, but I will call a spade and not a garden implement."

Promising to spend her time getting to know the British people and not just other diplomats, she added: "If 70 per cent of my time is spent with colleagues from the diplomatic world, then there must be something wrong."

Ms Carolus's track record scarcely reads like the CV of a career diplomat. She became politically involved as a schoolgirl in Cape Town and became an important figure in the United Democratic Movement, the civil rights movement that was in the forefront of the struggle against apartheid in the Eighties. "I didn't get involved in politics, politics got involved with me," she says. "The only way to reclaim your dignity was to resist the dehumanisation apartheid imposed on you."

After becoming a member of the ANC national executive and a favourite of Nelson Mandela, she turned down an offer of a cabinet position, choosing instead to run the ANC's party machinery as general secretary.

For all the Marxist rhetoric of her early career, she and her husband Graeme Bloch will cut far from earnest figures. "They will be up to dawn, dancing the night away," one friend was quoted as saying on hearing of the appointment.

Last week, Ms Carolus suggested she would be "probably the worst diplomat in the world". Britain has been warned.

Jordan and Israel repair Mossad row

By Patrick Cockburn
in Jerusalem

ISRAEL and Jordan are mending fences six months after Mossad, the Israeli foreign intelligence agency, infuriated King Hussein by trying to kill an official of a militant Islamic organisation in the streets of Amman, the Jordanian capital. Ariel Sharon, the Israeli infrastructure minister, had talks about greater co-operation with King Hussein in Jordan over the weekend and Crown Prince Hassan will see Benjamin Netanyahu, the Israeli Minister, in Israel today. After his meeting General Sharon said: "The problem has gone."

Jordan feels squeezed between a resurgent Iraq to the east and, to the west, Mr Netanyahu, who does not want to implement the Oslo accords with the Palestinians. It has gained few benefits from the peace treaty signed with Israel in 1994. But King Hussein also broke publicly with Iraq in 1995 when he received Gen-



Ariel Sharon: 'The problem has gone'

eral Hussein Kamel, the son-in-law of Saddam Hussein, who fled to Amman.

The largest of the joint projects discussed was the \$5bn "Red-Dead Canal" through the desert from the Red Sea to the Dead Sea. The 120 mile-long canal would harness hydro-electric power to desalinate

water, helping to prevent any conflict over scarce water supplies and save the Dead Sea from gradual evaporation at current rates of inflow. Relations between Jordan and Israel deteriorated after the election of Mr Netanyahu in 1996. King Hussein expressed deep distrust for the Israeli premier and has formed a better personal understanding with General Sharon.

Relations plummeted when Mossad tried to kill Khalid Meshal, a member of the Islamic militant organisation, with poison gas last September. The Mossad agents were captured and exchanged for the jailed Hamas leader, Sheikh Ahmed Yassin.

In the aftermath of the affair, King Hussein reportedly insisted that Israel sack Danny Yatom, the head of Mossad, before ties could improve. He was replaced last week by Efraim Halevy, a former Mossad deputy chief who was involved with the negotiation of a peace treaty with Jordan in 1994.

Egypt, the only other Arab state to sign a peace treaty with Israel, continues to have frosty relations with Mr Netanyahu.

In an interview, President Hosni Mubarak accuses him of turning the world upside down and failing to keep his promises on Middle East peace. He told the Israeli daily *Maariv*: "I have met with him several times and up until today I got from him more promises. Nothing was carried out."

Ailing King Fahd of Saudi Arabia faces surgery

Saudi Arabia's King Fahd is seriously ill and might have to undergo surgery after being hospitalised in Riyadh with a gall-bladder infection. An American medical team was monitoring the condition of King Fahd, who is in his mid-70s, and was preparing to remove his gall bladder if necessary, said officials. The King Faisal Specialist Hospital in the Saudi capital, Riyadh, stopped all visits and calls and barred relatives and family members from seeing the monarch. His health has been the source of much speculation since he suffered a stroke in November 1995.

— AP, Dubai, United Arab Emirates

Ex-Miss USA loses sex suit

A suit by a former Miss USA against Prince Jefri of Brunei, claiming she was unknowingly recruited for a Middle Eastern sex tour, was dismissed by a Los Angeles judge. Judge Consuelo Marshall found Shannon Marketic, of Malibu, had failed to meet the necessary burden of proof and held Prince Jefri was entitled to immunity under the Foreign Sovereign Immunity Act. Ms Marketic sued Prince Jefri, his brother, the Sultan of Brunei, and the "talent agency" that allegedly recruited her for "promotional" work in Brunei. She said she had to dance nightly and was subjected to sexual advances.

— Tim Cornwell, Los Angeles

Mayoress guilty of race hate

A French appeal court upheld a three-month suspended sentence on a far-right politician who made racist, anti-immigrant remarks. Catherine Megret, National Front mayoress of Vitrolles, appealed after a lower court sentenced her in September and fined her 50,000 francs (£5,000). Yesterday's ruling said Megret was guilty of "inciting racial discrimination."

— AP, Aix-en-Provence

School killing shocks Japan

A 13-year-old Japanese boy stabbed a classmate to death yesterday, further shocking a nation rocked by a wave of teenage crime. The boy, at a school near Tokyo, stabbed a similar-aged pupil in the chest during a break between classes. They had quarrelled over a practical joke played on the killer by the victim, police said. The Chief Cabinet Secretary, Kaneko Muraoka, used the killing to appeal for a joint effort by the government, schools, parents and local communities to deter youth crime.

— Reuters, Tokyo

Clinton profits from death of key witness

By Mary Dejevsky
in Washington

THE criminal investigation into President and Mrs Clinton that began with the Whitewater land deal in Arkansas and expanded to include Mr Clinton's alleged relationship with Monica Lewinsky could turn in favour of the Clintons after the death of a key prosecution witness, James McDougal.

Mr McDougal, who was 57, died of a heart attack in a Texas prison hospital on Sunday while serving a three-year sentence for fraud. An Arkansas businessman, he was the architect of the money-losing Whitewater deal in which the Clintons had invested while Mr Clinton was governor of Arkansas.

Following his conviction two years ago, he had been co-operating with the inquiry launched by the independent prosecutor, Kenneth Starr, into allegations that Mr Clinton used his position as state governor to obtain an illegal loan.

A long-time friend and political ally of Mr Clinton's, Mr McDougal made headlines last year when he explained his decision to co-operate with the Whitewater inquiry by saying: "I just got sick and tired of lying for the fellow [Clinton]."

The four-year-old Whitewater inquiry is not complete and Mr McDougal's death deprives Mr Starr of an important witness. Yesterday Mr Starr was with advisers, trying to assess how far his inquiry might be damaged. Last week there

was good news for Mr Starr, when another Whitewater player and former Arkansas governor, Jim Guy Tucker, decided to co-operate with the investigation in return for a lighter fraud sentence but the death of Mr McDougal could more than outweigh that benefit.

Any setback for the Whitewater inquiry may also affect the investigation into Mr Clinton's relationship with the former White House trainee, Monica Lewinsky. The only reason why this inquiry was entrusted to Mr Starr was the alleged involvement in both cases of Vernon

Jordan, a well-connected Washington businessman and Mr Clinton's golfing partner.

The question is whether Mr Jordan, who admits using his influence to help both a disgraced ex-Whitewater player and Ms Lewinsky to obtain private-sector jobs, was doing them a personal favour, or whether he was acting at Mr Clinton's behest to silence potentially awkward witnesses. Were the Whitewater investigation to collapse, the much-criticised Mr Starr's right to investigate the Lewinsky case could be challenged.

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Muscle-building
marvel:
Michelangelo's
The Archers

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HRH The Queen,
Royal Collection,
Windsor Castle

Like putty in his hands

No one could mould the male form like Michelangelo, and no one, says Tom Lubbock, has ever asked so much of the male anatomy

MICHELANGELO remains a name to conjure with: a powerhouse, a life-source, a mould-maker, a measure to which no other art quite measures up. When, for example, in the Twenties, Wyndham Lewis wanted to beat Picasso's stout neo-classical figures, Michelangelo was the obvious stick. The Picasso figure, he wrote, "is a beautifully executed, imposing human doll. The figures of Michelangelo, on the other hand - the most supremely

noble and terrible creations of the dramatic genius of the West - are creatures of an infectious life. Between the outstretched forefinger of Adam and the figure of the hurrying Jehovah there is an electric force that no vegetative imbecility would be able to convey."

Ah yes, that famous invisible spark - now immortalised, and turned into a very visible Big Bang, in the credits of LWT's *The South Bank Show*. As for the "infectious life", though, it

doesn't appear to have infected much 20th-century art.

Indeed, it's rather a problem for us, this sense of mighty strenuousness, the idea - in the words of Antony Gormley, creator (and model) of the *Angel of the North* - that "muscular action expresses the metaphysical tension of body and soul". And I think Gormley's reservations speak for many. One may doubt whether Michelangelo's influence is one any artist today would happily catch.

"Michelangelo and His Influence" is an exhibition of drawings from the Royal Collection, now showing at the Queen's Gallery. The influence displayed here doesn't extend much beyond the end of the 16th century (Michelangelo died in 1564, aged 88).

We have his own drawings: anatomical studies, sketches for paintings, finished presentation pieces. We have copies, variants and departures by contemporaries or followers. It's all bodies, of course, parts or wholes - and souls, if you like; predominantly male bodies and souls.

But if we think of Michelangelo as a kind of Frankenstein, bringing the human creature to

turbulent life with an electric charge, we'd better take the analogy all the way, and see him as an artist deeply concerned with the constructability and the malleability of the human form. His art is powered by the realisation - exhilarating and alarming - that he could do with it what he wanted.

With mastery, he could put it through the most incredible twists and turns, displacements and distortions, make it into the most contradictory shapes. Limbs contort this way and that while seeming to perform continuous gestures. Bodies can hurtle forwards while, at the same time, appearing to hit a brick wall. This sounds more like an art we can relate to: a radically ambiguous art that's bent on daring impossibility.

The Resurrection, for instance, offers great opportunities. The Gospels don't describe the event itself. They treat it as a *fait accompli*: the grave empty and Jesus already up and about. As artists usually picture it, it looks like a victorious act of will - Jesus advances out of the tomb with a strong leg to the fore, or levitates several yards in the air above it. But in

Michelangelo's drawings the act isn't clear. You can't tell if Jesus is doing it, or it's happening to him, or what's happening exactly.

Look at *The Risen Christ*. In his catalogue, Paul Joannides coins an excellent phrase for this single figure. "He bursts from the tomb describing an act of triumph, an all-encompassing embrace." I like that *arc de triomphe*. But I don't see the effect described, because the action of the figure is nearly indescribable - it's a thoroughly ambiguous articulation, combining a forward stride, a backward lurch, an outward fling and an upward yank.

The potential for triumph is there. One leg is planted firmly, vertically forward, the arms are spread in a winning gesture. But then this leg is somehow pulled sideways, which aligns it with the much less grounded other leg and the teetering torso. The left arm becomes a frantic attempt to regain balance, while the right arm, reaching straight above the head, seems to be pulled up by an invisible alien grasp. The reviving figure is disoriented and struggling for equilibrium and

self-control among these bewildering forces.

It's odd to apply verisimilitude to a picture of an event which is, even for believers, a unique and miraculous mystery. But you could say that Michelangelo's version, by showing Jesus caught in a process that's barely comprehensible - to us or to him - is much nearer what it must have been like. Other artists stage the Resurrection in terms of its glorious meaning. Michelangelo imagines how Jesus might have experienced it himself.

This is rare. With the Crucifixion, it's the normal approach. In that genre, showing and letting us share Christ's agony is a primary objective for many artists. In fact, this diverging attitude towards Jesus's experience is one of the main differences between the two subjects. Crucified, he suffers bodily. Risen, he is beyond such experience - except in Michelangelo. And in another *Resurrection*, he is subjected to a still more sudden physical paradox. The figure seems to be both taking off and landing hard at the same time.

In his late Crucifixions,

Michelangelo finds extreme solutions. "Solutions" might be the wrong word, given that the pictures are clearly not finished. But the striking thing is that these unfinished drawings don't imply a finish. They don't look like they've been abandoned halfway to completion, or like sketches whose suggestions did open options another drawing could sort out. The overlaid multiple positions of the legs and torso of these crucified bodies aren't alternatives waiting to be decided. They're developed and involved together with very gentle and attentive shading. The most unsolved bits of anatomy are the most substantiated.

The effect is more than motion, a writhing. The unfinished aspect is part of the experience conveyed. Jesus's climactic last cry, "It is finished," is permanently deferred. The drawing isn't concluded, no final bodily position is established, the undecided points are worked at and could be worked at more, so the experience goes on and can't arrive at crisis.

Though flesh is fearfully exposed, this isn't sheer agony, but an endlessly sensuous metamorphosis and dissolution,

rather Wagnerian in that way, the body flowing into and out of itself, into and out of the very paper it is drawn on. Here Michelangelo's deep interests in and doubts about the malleability of the human image reach their mortal limit.

This may be partly what Francis Bacon meant when he said Michelangelo was mixed up in his mind with Muybridge, the photographer who broke down human action into sequences of split-second images. Michelangelo never draws blood, as Bacon does, but these fluid, fugitive elisions of form and substance are a clear hint towards his art.

Perhaps Bacon is the only modern artist to have truly taken the influence on board - though we mustn't forget Michelangelo's other heirs (via Blake and Fuseli), the graphic masters of the Marvel comics. If it's a straight shot of infectious muscular life you want, there's always the mighty Thor and the Incredible Hulk to keep you going.

To 19 April, Queen's Gallery, Buckingham Palace Road, London SW1 (0171-839 1377)

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Close call: We put winners at all times. Winner picked to confirm after time 10 March 1998. Used Newspaper Publishing rules apply. Editor's decision is final.

If it's fame and fortune you're after, just stick around a bit

John Windsor seeks out the smiling face behind the contemporary art world's answer to 'Kilroy was here'

WHO IS "SR", the wide-eyed young woman whose latest bid for fame comes in the form of thousands of stickers bearing her image and the slogan "I am everywhere - SR London"? You can now find the stickers on lamp posts, in loos - even, as our picture shows, on an iron railing at the foot of the pyramid of Cheops in Giza, Egypt.

SR is the art world's It-girl, famous for being famous. For the more philosophically inclined, her bid to gain fame by publicity alone - while staying

anonymous and doing little more than smile - is a send-up of the current romance between artists and the media.

To get in on the jape, would-be SR fans can buy the stickers (£1 for 20) from vending machines at the ICA, the Whitechapel Art Gallery, the Tactical Coffee Bar in D'Arbly Street, Soho, and the Watershed, Bristol. Or you can get a stash free by post from a flat in Stepney, abode of her mysterious "controller", a fellow artist of the opposite sex.

Over the past nine months,

20,000 stickers have made SR probably the most stuck-up young woman in the contemporary art world. And, as if that wasn't exposure enough, SR has taken out full-page self-advertisements in four trendy style mags - *i-D*, *Dazed* and *Confused*. Don't Tell It and blog.

There are also SR carrier bags and an SR promo sheet that declares enigmatically: "A new artist for a new generation". It goes on, in what could be a parody of pretentious artpeak, or simply sheer pretentiousness: "She is re-

defining the self-portrait for the 1990s, art, fashion, advertising, image, identity, ego. This is the self-portrait as self-promotion. This is art in the remix. This is the new label to be seen with." Well, I never...

You can, if you know the right people, be seen with SR. She presided at a book promotion at Waterstone's in Charing Cross Road last year. They gave her a window display and a table header, and a highly collectable limited edition of 1,000 promo cards was distributed to fans and be-

mused shoppers. The book? She promoted every book in the store - and never even asked for a fee.

Although she won't say who she is, SR does talk. Well-wishers can telephone her or write to her. She says things like: "Art always looks like art" and "I'd like to go to Morocco".

Fame? "Yes, I'd like that. It would be a part of what my art is about. Fame would enable me to say what I really want to say." (Things like "I'd like to go to Morocco", I suppose.) Fortune? She thinks she

Sticky situation: One of SR's stickers (below) and in the shadow of the pyramids



could handle that, too. After all, those stickers and promo cards are not cheap to print. There'll be a book, of course. It will contain snapshots of stickers stuck in unusual places throughout the world, sent in by fans committed to making her the world's most famous anonymity.

SR, whoever she is, will enjoy promoting that.

Stickers and further information from: SR, Flat 6, 49 Cavell Street, Stepney, London E1 2BP (tel: 0171-790 3331)

طريق من الامم

Nothing's a patch on will power

Smokers spend £32m a year on nicotine substitutes, but do they really work? Milly Jenkins reports

TOMORROW is No Smoking Day. Many of Britain's 12 million smokers will pause when they see the "Ready, Steady, Stop" posters, and for one melancholy moment think about how they really ought to stop. Eleven million of them will snap out of it, struggling the thought off with a reassuring, "I'll do it next week/month/year." But one million of them, the ones who have really had enough, will go for it.

Most of them will depend on will power, but about a quarter will use some form of nicotine replacement therapy (NRT) — gum, patches, nasal sprays or the "fashionable" new inhalators, which look like plastic cigarette-holders — some of the guests at last month's Brit Awards were spotted having a drag on hand-painted inhalators.

Whether they get through the night without succumbing to the real thing is another question. The depressing truth is that although these products do increase your chances of giving up, the success rate is low. Pharmacia & Upjohn, the makers of the market leader Nicorette, say using NRT "typically doubles or triples the success rates when compared to those smokers who quit using will power alone". What the trials show is that people using will power have a success rate of 1-3 per cent for every quit attempt, while those using NRT have a 5-10 per cent chance of stopping.

The more positive evidence is that people who join specialist smoking clinics, as well as using NRT, have a much higher chance of stopping — up to 20-25 per cent in some trials. This is compared to a 10-12 per cent success rate for people attending clinics without using NRT. The trouble is there are very few clinics. As there is no funding available, they depend on the enthusiasm of the medical staff who run them.

But most people using NRT are buying it over the counter, getting only minimal advice from the pharmacist. Apart from the nasal spray, NRT is not available on prescription and, given the 90 per cent failure rate for using it without support, seems expensive. The NRT market is worth about £32.4m a year in the UK. Nicorette's gum

costs about £15 for a week's worth and £180 for the recommended three months. The inhalator starter pack is £5.95, with cartridge refills costing £19.95 a week.

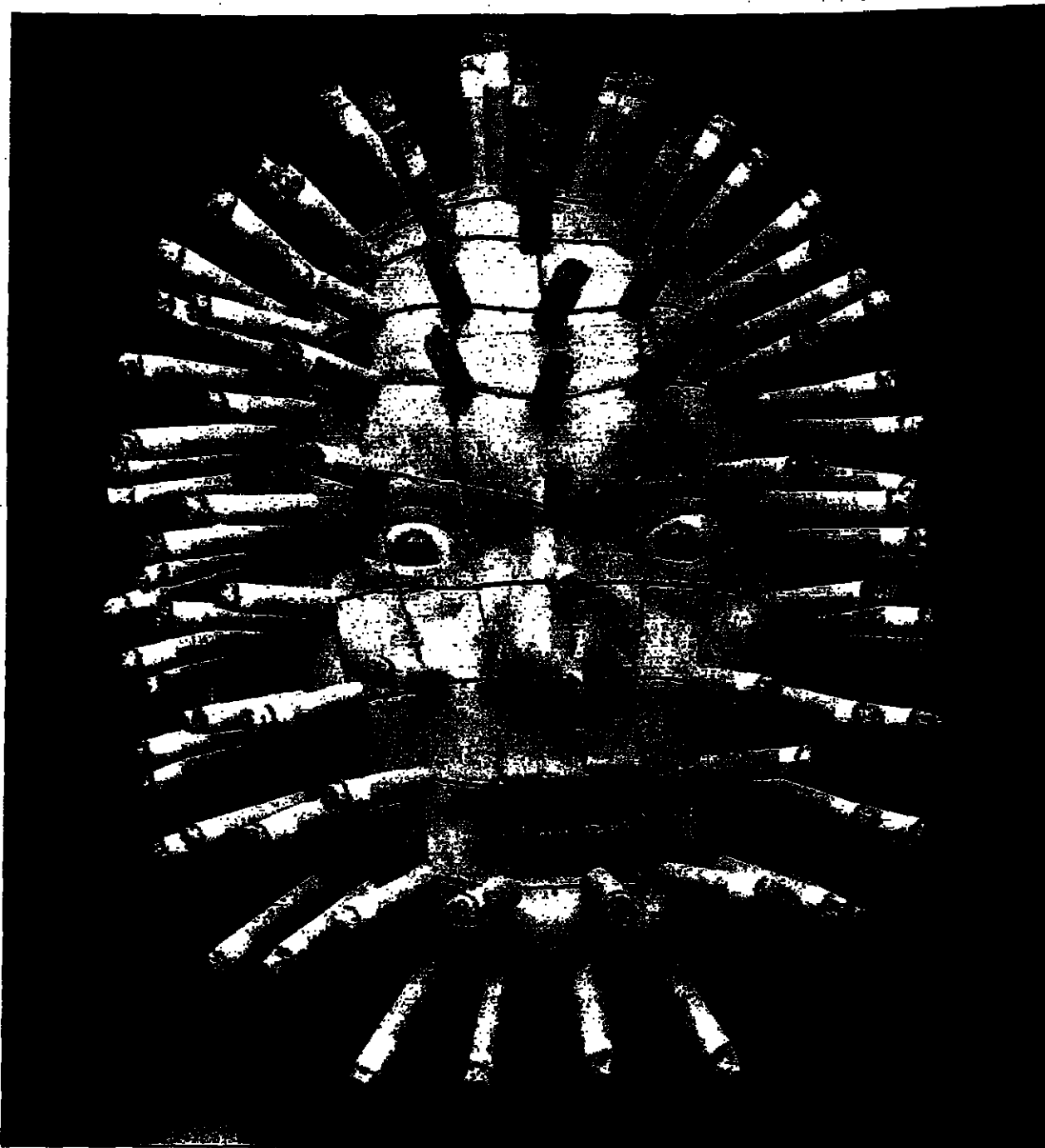
"NRT is the only method proven to work," says Gillian Riley, an addiction counsellor and NRT sceptic. "But only drug companies can afford to do trials. There is no research into other techniques." Her main objection to NRT is the implication that physical withdrawal from nicotine is a significant part of giving up, and that the solution is to maintain nicotine levels in the bloodstream. "Stopping smoking is primarily a mental process," she says. "Nicotine leaves the body less than 24 hours after the last cigarette. Unless you deal with the psychological side, the conflict between wanting a cigarette and wanting to give up, it's always going to be difficult."

Smokers, certainly, seem to perceive NRT as being useful. This may be because of the £6.5m Pharmacia & Upjohn spend on advertising every year, or because of their own experience of trying to stop. A survey of smokers, published yesterday by the organisers of National No Smoking Day, found that 44 per cent wanted cheaper, subsidised NRT. Second on their wish list, was more smoking clinics.

But Dr Andrew Sherwood, who runs a clinic at his Kings Lynn practice, says persuading people to get help is incredibly difficult. Even though two-thirds of smokers say they want to stop, most of them are in a "pre-contemplative" stage. "That means they want to stop, just not now," he says.

Although doubtful about NRT's worth, he would like to be able to prescribe it. "It would at least provide an opening gambit to talk about smoking, which on the whole people are reluctant to do. But what we need is better techniques for dealing with the psychological side," he says. "What I tell people is that it will help them stop, but it won't help them stay stopped — that it will get them about 10 to 15 yards in an 100-yard race."

Days daze, page 17



Caught in a trap: the money smokers spend on gums, patches and inhalators may be better spent on specialist help

'Patches didn't take away the urge'

"I'M A REALLY dedicated smoker. I just love it. I've only had two serious attempts at giving up — once using patches, once after seeing Alan Carr's stop smoking video," says Emma Messenger, 27, who smokes 20 a day and has no intention of trying to give up again soon. "The patches were OK. You can feel it seeping in, but it didn't take away the urge in those moments when you catch sight of a box of Marlboro, or you're getting ready to go out."

She lasted two weeks, before having a puff at a party and finding herself back as a full-time smoker before she knew it. "I'd already cheated a few times, smoking when I had the patch on, a bit like Patsy in *Absolutely Fabulous*."

Watching Alan Carr, she says, was a "near religious experience" and she stuck it out for six weeks. She recently had a go on a friend's inhalator. "Disgusting. I've never coughed so much in all my life. Next time I do it, I'll watch Alan Carr again and then go cold turkey."

"I HAVE to stand still and stare at myself," says Brian Harvey, who gave up smoking seven weeks ago. "I fight and argue, telling myself I don't want to smoke." Now 53, he had his first cigarette at 16 and had been smoking 60 a day, costing him £70 a week. Having just retired from teaching, he decided it was time to stop, and contacted Quit who told him about a clinic at St George's Hospital in south London. He did a group course there for six weeks which advised using some sort of nicotine replacement.

"I reckon it's all about tricking your mind."

'It's a psychological battle, not physical'

"I've found the gum is pretty helpful, although the moral support is just as important. I'd tried gum before but thought it was a complete waste of time, probably because I didn't know how to use it properly... I also thought it was a substitute for smoking, which it's not."

"You've got to go off and do something else, some painting or use the computer. That urge is gradually going away but when it comes, now about every two or three days, I feel like more of a psychological battle than physical one."

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Peter Baker

For details of the Prostate Help Association, send two first class stamps to PHA, Langworth, Lincoln LN3 5DF

A pain for men only

"I EXPERIENCED two weeks of fever, terrible pain and passed blood in my urine. I was hospitalised but then sent home because I was told the problem was difficult to treat."

"I had five months off work, took a variety of drugs — many of which made things far worse — and, without medication, I still feel really ill, tingly all over, sick, numb and in a lot of pain."

"Although I have good and bad days, it's still tough going for me."

Jon Bernardes, 46, has been affected by a little-known but surprisingly common condition called prostatitis, one of several diseases targeting that small but troublesome male organ at the base of the bladder, the prostate gland. The symptoms vary from a short-lived flu-like infection with acute passing of blood to a chronic condition that often causes severe pain around the pelvis and beyond.

While prostate cancer has recently received belated media and medical attention, non-life-threatening prostate conditions like prostatitis and benign prostatic hyperplasia (BPH) — a swelling of the prostate often leading to severe urinary problems — have remained what Bernardes calls "Cinderella" diseases: little-understood, under-researched, poorly publicised and inadequately treated.

Today, however, these conditions will receive some much-needed attention. The Men's Prostate Health Project, based at the University of Wolverhampton and co-ordinated by Bernardes, is publishing the first-ever survey of men affected by non-cancerous prostate problems and holding a conference in London to discuss the results.

The survey, which looked at the experiences of 565 men, dispels the common belief that those with prostate problems are a collection of Private Godfrees, geriatric gents forever rushing off to the toilet.

In fact, prostatitis is thought to affect up to one-third of men aged 20-50 while a similar proportion of men aged over 50 suffer from benign prostatic hyperplasia, or BPH.

The findings reflect the dramatic effects on men's lives. And although two-thirds of men felt their doctors were generally sympathetic, many said GPs and urologists were unwilling to respond to early symptoms, did not always carry out sufficient tests, gave conflicting advice or made unnecessary or ineffective interventions.

Peter Baker

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DR PHIL HAMMOND

The show where every needle earns a point

FOLLOWING the phenomenal success of *Tins and Fibs* (Channel 5, passim), I've been inundated with requests to devise an even more cerebral medical quiz. Here's my first effort, a direct copy of the one nobody can do on Radio 4.

The Round Medicine Quiz

How would you get from dirt to asthma to the Berlin Wall to homeopathy to vaccination to West Africa to asthma (again) to death to £2,340 to struck off patients to autism to 1976?

I've no idea.

Well then, have a go.

Because this is a half-hour quiz and we've only managed to fill 30 seconds of it.

That's not my problem.

Look, we've got you all the way down from Doncaster, fed you, winned you and given you the chance to shine on national television.

Virgin trains to soggy falafel to Blue Nun UK Living...

Look, my career depends on this — I can't afford another failure or I'll be back in the surgery looking at verrucas 24 hours a day. So either you grow up and do the quiz or...

Or what?

Or I stick this bloody great needle straight in your eye.

Fair enough. Dirt to asthma was in the papers.

And what's the link?

I've just said. They were both in the paper in the same story. Are you deaf?

No, but what was the story?

I dunno. The headline said "dirt-asthma link" but I didn't read the article.

Why was that then?

Because East German kids come from larger families, get more childhood infections and use fewer antibiotics. So

ma than their peers.

Presumably that's because the kids need to experience a few germs to get their immune systems primed properly so they don't over-react to allergens when they get older.

For yes. How did you...

And when the Berlin wall came down, it was expected that asthma rates would be much higher in the dirty, polluted East than the squeaky clean West, but in fact cities in West Germany had asthma rates of two and a half times those in the East.

Why was that then?

Because East German kids come from larger families, get more childhood infections and use fewer antibiotics. So

Have a guess then.

Dirty children who never wash get lots of asthma.

No, quite the reverse in fact. A study by the Institute of Child Health at Bristol University found that children who bath every day and wash their hands more than 5 times a day are 25 per cent more likely to get asthma.

once again, their immune systems get properly primed.

Pollution can trigger asthma attacks but isn't a primary cause — did you know asthma is just as common on the Isle of Sky as in inner London?

No. Have a bonus mark.

Thank you. Now, has extract of Berlin Wall been used as a homeopathic remedy?

Yes for...

No, let me guess. To reunify a patient's symptoms or psychological state.

Well done.

And vaccination is there, I presume, because like homeopathy it works on the principle of treating like with like...

Yes, only homeopathy doesn't work. Ha ha ha.

I disagree. There's an increasing body of evidence to suggest it may have an effect in conditions such as hay fever.

A point off for being a smart arse.

Now West Africa and vaccination. Wasn't there a study that children who were vaccinated against measles were twice as likely to develop asthma in later childhood than those who had measles infection.

No, because children who weren't vaccinated were much more likely to die from measles, especially if they were poorly nourished or chronically ill.

And what about the UK?

Between 1970 and 1988, uptake of the vaccine was patchy and there were on average 13 deaths per year from measles and over 20 children with permanent brain damage. Since 1989, most GPs have immunised 90 per cent of eligible children and deaths have fallen to less than two a year.

And what made GPs increase their immunisation rates?

Money. Currently GPs get £2,340 for hitting the 90 per cent target. This has helped reduce deaths not just from measles but from diphtheria, haemophilus meningitis, polio, whooping cough, congenital rubella and tetanus.

On the downside, some parents don't feel they get an informed choice when their doctor has a pecuniary incentive to jab the kids and a few have been struck off the list for refusing (and hence jeopardising the target payment).

So what about autism?

I've no idea if it's linked to the MMR vaccine — but given the media scare would be even more unresponsible to strike a family off who didn't want it. At present I'm unconvinced by the evidence and will continue to have my kids immunised but I know GPs who've stopped.

Remember 1976?

Exactly. There was a scare about whooping cough vaccine and brain damage, and although a later study found that lasting damage was a rare as to be unquantifiable vaccination rates dropped 30 per cent over 300,000 children went down with whooping cough and at least 70 died.

فلا تتركوا الامم

Madonna: the mother of all pop

The tabloid hyenas say she's lost her way. Not so, says Suzanne Moore. She knows exactly where she's going

IT IS a strange thing to be nearly 40 and still find yourself dancing around in your bedroom to a pop record, especially when that music is made by a woman of much the same age, who was never, ever going to settle for mere 15 minutes of fame. Madonna has been famous for 15 years. During that time she has grown up a lot – and so have I, but clearly not enough to feel unexcited by the release of her best record in years, *Ray of Light*.

There are, of course, the begrudgers. Madonna, we have been told recently by interviewer after interviewer, isn't as beautiful as you think she is. She is not even sexy. She wore a blanket for one encounter with the press, for goodness sake. She has gone grungy, her hair is a mess. She looks positively crusty. She has become a hippy. I have read all these things in the last few weeks. The sub-text to all this is that a successful woman can never be truly happy, and worse – the most dreadful thing that can ever happen to a woman has happened to her – she has let herself go.

Well, yes, she has let herself go, but not in the way that the tabloid hyenas mean. Madonna is freer than she ever was and she looks amazing. Don't tell me that this is simply because she has been photographed by Mario Testino, the man who reputedly produces a post-coital glow in every woman he snaps. She looks fabulous because she is fabulous. Motherhood has not ruined her – if Testino's recent *Vanity Fair* pictures of her with her baby, Lourdes, are anything to go by, it may have even made her relax a little. The queen of the treadmill has taken up yoga. Maybe she is even becoming a little more flexible.

Madonna's embracing of the ethereal rather than material side of life has been rubbished, too. She has gone all cosmic because spirituality is the fashion accessory *du jour*. Yoga, the Kabbalah, hennaed Sanskrit symbols on her hands? Is it any different to her Eighties interest in cosmetry? Is all this going with the New Age flow any deeper, any more meaningful than Edina Monsoon's chanting and crystal healing? What next – Liam Gallagher becomes a Quaker? Is she guilty of just doing that mid-life pop star trip, like every other superstar before her, of getting a religion, preferably an Eastern one, to stave off a mid-life crisis?

But for Madonna an interest in faith and mysticism is hardly new. She was



Evolution of a star: Madonna in 1998 (main picture), *Like a Virgin*, early in her career (top left), in Jean-Paul Gaudier corset during the *Blonde Ambition* tour (centre) and in her latest video, *Frozen*, taken from the *Ray of Light* album

obviously in control of her own destiny. spoke of desire, she did so aggressively in critical bras, in masturbatory dance sequences, in her flaunting of Latino lovers and joyous flag-haggery.

When she decided to turn herself from a sexual subject into a sex object for her book *Sex*, a work she now regards as an act of rebellion, she was derided. It was thought that she revealed too much, as though showing her naked body was the same as baring her soul. The critics held up before us the holy trinity of failure – the over-hyped sex book, a contrived catalogue of taboo, busting the mediocre *Erotica* album and a disastrous role in *Body of Evidence*.

Then she did something truly shocking. She learnt how to sing. She made *Evita* and then she had the much longed-for love child.

Not for her the passive Bridget Jones-style ticking of the biological clock. She would have a baby even if it meant being a single parent, and like Jodie Foster she is rich and famous and clever enough to do it by any method she damn well pleases.

We love Madonna – as we loved Princess Diana – because of her flaws, because she bangs on about her unhappy childhood, her failed relationships, about the sheer loneliness of the long-distance celebrity. We see a woman who, like Diana, has it all but who says sometimes she feels empty inside.

And we see a survivor. Madonna has made mistakes, looked bad, looked good, has been too poor to take the Subway, too famous to leave the house. She is a star and will be for a very long time. Her sexuality is a work in progress. Suddenly she is cool enough to appear on the front of *NME* – she is the mother of all pop – and even shine on the cathedral of tack that is the National Lottery show. She even got away with singing Andrew Lloyd Webber songs. Here she is again at number one, the ethereal girl still pushing more product than ever.

To see woman free from the need for approval is still a rare and beautiful thing. She does exactly what she wants, when she wants. It doesn't really matter what we think of her. "Nothing really matters," she sings on *Ray of Light*, and you know she means it. Which is precisely why she continues to matter so much.

formed entirely by her Catholicism and every move she made, every symbol she dangled in front of us was her way of publicly losing her religion. Long before she became an icon herself she understood the value of iconography, hardly surprising in one named after the blessed Virgin herself.

The charge, as always, is that she is not to be taken seriously, that she is a fake. If this is true then she has been faking it for so long that we wonder if even she can tell the difference any more, because there is no one on the planet who knows more about image and artifice than this woman. For all these years she has teased us with the prospect of showing us the real

Madonna, of opening her heart as well as her legs to the world. While she shed one veil of femininity, she mysteriously draped herself in another.

Yet the more she revealed, the less we knew. The one thing that I was sure of after having seen the movie *In Bed with Madonna* was that she was more real performing on stage than when she was "being herself" off it. We saw just what she wanted us to see, and Warren Beatty's famous remark that she was not living if she was "off camera" stuck in our heads, because at the end of the day we knew that Ms Ciccone, control freak extraordinaire, had allowed that remark to be recorded on camera.

It is this determination both to exploit and explore her own fame and its consequences that makes her so utterly compelling. The nature of fame is a subject that our artists and novelists still struggle with – the meaning of celebrity, the life examined and examined yet again. And here in the eye of the storm, the most famous woman in the world is doing it for herself. "I traded fame for love," is the first line of the new album, *Ray of Light*. It is a collection of songs about love and loneliness and the impossibility of making intimate connections when you are carrying around the baggage of mega-stardom. It is also about what it is to both lose a mother and to become a mother. Some critics

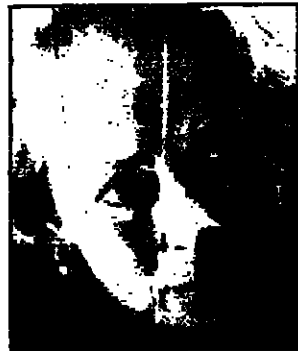
may have described it as sixth-form poetry, but these lyrics were never meant to be poetry; they are pop songs alive with the great wash of mood and rhythm and life-force that only music can bring. Madonna knows in her very soul that the dance floor is a magical place, not because she belongs to the chemical generation, but because she knows about the alchemy of sex, ambition and female desire that drove her there in the first place. "Only when you are dancing can you feel this free..."

It is this knowledge that is the source of her power, what makes her so irresistible to women and so unsettling for her detractors. When Madonna, a woman so

'That neglected dog broke my heart'

REVELATIONS: ANNETTE CROSBIE

The time: Spring 1993
The place: Wimbledon
The woman: Annette Crosbie



"I'M ALMOST 64, unfortunately I know myself pretty well by now and it is not a comfortable position to be in. I would prefer to be different in many ways from the person I am. Especially now that I have a crusade, I wish I were more analytical and quieter – because I tend to go in with all guns blazing and that's not a good idea. I've done it all my life and I don't seem to be able to alter. I've always been passionate, I'm exhausted by the time I finish the Sunday newspapers, but until about five years ago I've never felt strongly enough

about anything to campaign. I just happened to read an appeal for homes for ex-racing greyhounds. Up to that moment I hadn't given them a thought.

I went to the kennels where there were a lot of young greyhounds barking and jumping around in a pen. The rehomer went away and came back with this dog whose coat was dull, he had fleas, his nose was all crusty. He looked a pretty sorry sight. However, I didn't realise just how big a problem I'd taken on until we took him through the front door of the house: he walked down the hallway into the kitchen, slipped on the cork tile floor, panicked, lent against the near-

est cupboard and couldn't be moved. It was a revelation because that dog broke my heart and changed my life.

We called him Tati, after Jacques Tati. He was only young when we got him. Although greyhounds start racing at 18 months, they retire about three and that's all the life they have on the track. When I touched him it completely spooked him – he had never been cuddled, never been played with and didn't know what toys are for. I found myself with an animal that I knew nothing about, how it had been treated nor its temperament, because it takes a long time for their personality to come through.

Fortunately, although I didn't know it at the time, greyhounds are the steadiest, gentlest, quietest dogs. Eventually there did come a day when Tati's eyes lit up and his tail wagged – because they don't when you first get them. They are like institutionalised human beings.

These days, I live with my daughter, who fortunately is as crazy about greyhounds as I am because we've now taken on another two. I discovered that there are thousands of dogs looking for homes but people won't take them on because there are myths about the breed: they will need a lot of exercise (greyhounds are bred for bursts of speed not stamina – two walks of 20 minutes is all they need) they will chase and kill anything that runs (not true – all my greyhounds walk off the lead and I never have any problems).

I get very angry about people who race greyhounds. If the

dogs are injured, they are often put down because it's cheaper. Every week healthy and fit animals are destroyed by vets because their speed has dropped. Or even worse, there are dogs left on the Yorkshire moors with muzzles on and just left to starve! It's obscene. I don't know how people can do that. Some owners cut the ears of their dogs, so they can't be identified by their tattoos and throw them into the sea or allow them to be used for experiments.

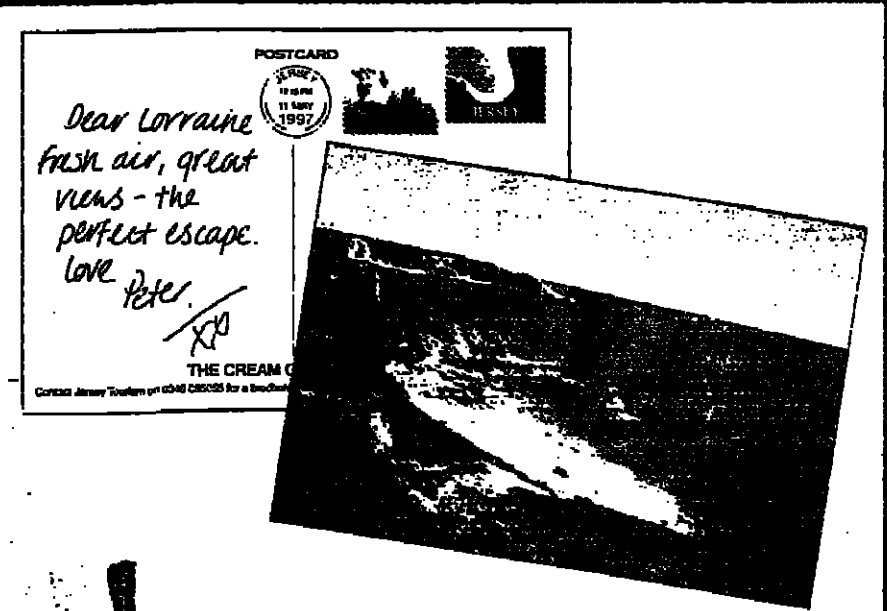
Campaigning has become my raison d'être in a way that acting has never been. It's just a job I do, although always to the best of my ability, which is not inconsiderable after 40 odd years of experience. I never take my work home with me and I don't give it a thought when I'm not doing it.

People say that I'm successful, but I don't see it. I've done one situation comedy which is hugely popular and I'm instantly recognisable on the streets. Real success is somebody like Judi Dench or Maggie Smith, who I'm currently working with, or ending this dirty greyhound racing industry all together.

My mother was like this too, she was passionate about everything and as a child I just wished she would stop and give me some peace and quiet. Now my daughter leaves the room when I get on my high horse. Or she can be very crafty and say: "you're upsetting the dogs!"

Annette Crosbie is currently in *A Polite Balance* which is at the Theatre Royal, Haymarket until 4 April.

Interview by Andrew G Marshall



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July 1, 2015

THE INDEPENDENT

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Drum-beating will not help Kosovo

TELEVISION pictures of tanks on village streets, harrowing stories of families split apart by brutal policemen, the bloody evidence of ethnic conflict... no wonder that the drum is being beaten for foreign intervention in Kosovo. The American Secretary of State, Madeleine Albright, has been vocal and she has been echoed by the British Foreign Secretary, Robin Cook. She talks ominously of the Milosevic regime "paying the price".

This, however, is dangerous language and the British government should think very carefully before associating itself so closely with the American line that all the world is a potential target for military intervention. To stick to President Clinton over Iraq like Brer Rabbit to the 'lar baby is one thing but over Kosovo the British government - *pro tem* president of the European Union - risks another deep rift between the European powers which would expose, once again, the pretentious talk of a "common" European foreign policy.

Loose talk about intervention also gives an incentive to the Kosovo Albanian insurgents to up the ante - the more Serbs they can kill and the more ground they can claim prior to such an intervention, the better their prospects. There are clear analogies between the situation in Kosovo and that in Yugoslavia as a whole before it broke up. Some experts suggest the lessons from Bosnia are clear: intervene now to prevent major ethnic bloodshed later. They would, however, be more convincing if they also described what kind of arrangement of states and ethnic groupings intervention is intended to create. Look at Bosnia, hanging on as an entity by the skin of the teeth of British and other Nato troops. To say that intervention is about keeping the peace alone will not do. The Albanian majority in Kosovo deserve protection from abuse, to be sure, but do they deserve a landlocked statelet which would be economically unviable? Even the Americans do not contemplate that.

The United States, which already has forces on the ground in the Balkans, in Bosnia and Macedonia, cannot be the universal policeman; once the policeman starts getting shot at (and Serbian passion over Kosovo should not be underestimated or written off as some ploy by Slobodan Milosevic) then he is likely to withdraw.

Mr Milosevic is a cruel opportunist with no vision to offer the Serbs. But he operates in troubled waters. The European Union countries cannot agree on sanctions, let alone military intervention. The Russians are more closely exercised by their ethnic kin in Serbia than they are about Iraq. In such circumstances the very phrase "international community" (much loved by our Foreign Secretary) does not have a great deal of meaning. Britain and the United States and perhaps Germany might make financial sanctions effective in the long run: Russia and Greece are hardly in a position to lend Belgrade money. Such pressure should be applied immediately and tightly but ought not to be accompanied by belligerent promises that might lead the Albanian insurgents to imagine a white knight will come to their rescue.

Parental panic on TV



EVER SINCE *Bill and Ben*, parents have been the worst critics of children's television. The puppets mis-spoke, they were not intelligible - most of the criticisms levelled at the *Telnetubbies* were anticipated at the dawn of the children's television age. Children in front of the screen become typecast as victims, things to be manipulated by advertisers, animators and the Woodenlopes. But listen to children themselves. Their huge capacity to understand the medium, to ironise and challenge its conventions is often neglected. The second World Summit on television for children, which opened in London yesterday, will do well not to underestimate children's televisual literacy. "Dumbing down" is an attractive argument for adults, who tend to forget it was their own parents who first alleged it. Has there been a generation since Adam when parents have not fretted about the cultural condition of their offspring?

Not all change is for the worse, but neither ought it to be uncritically accepted. Children's access to the Internet can be a tool for acquiring new knowledge; equally it can augment those forces in the modern world which make childhood innocence so short-lived. There are trends afoot in television which favour animation against drama and factual programmes. You do not have to fondly recollect *Blue Peter* of old to believe that programming for children should - as for adults - offer a rich mix. Wall-to-wall cartoons, the potential result of ghettoisation on children's channels with low budgets, bore them.

An academic study by Sonia Livingstone suggests British teenagers do live a rather different life from their contemporaries elsewhere in Europe. A "bedroom culture" would be worrying if it implied young people were growing up autistic, asexual. But other studies have suggested teenagers also often fall prey to peer pressure. And spare a thought for the teenager for whom privacy, in your own bedroom, is the most important thing in the world. Are British young people more materialistic? Parents do face brand-name pressure, to be sure - which tends to be all the sharper among those on low incomes. But not all children are acquisitive monsters; not all so lack sensitivity for their parents' feelings or their families' circumstances that they insist they cannot live without Nike or Diesel. Conversation about young people's tastes goes on incessantly - but the most important thing is that, in families and in society at large, we ensure it is not one-sided: that children's aspirations and judgements are sought and carefully weighed.

Serbia's path to war

REFERRING to the Kosovan Liberation Army as "shady" ("Cook plea falls on deaf ears as Serb police blitz villages", 6 March) lends credence to the Serb notion that they are a terrorist group. Terrorists are military units which mercilessly attack innocent civilians outside their own country (or foreigners within it) to draw attention to their cause. The KLA are defending their homes and families against an internal aggressor and trying to fight their way back to the semblance of democracy they enjoyed under Tito.

If Slobodan Milosevic continues down this path - a course which has been escalating for years - the result will involve several other countries in the region and perhaps even Turkey, making Bosnia look like a picnic. Such a war (specifically the hundreds of thousands of displaced refugees) will be felt throughout Europe for many years to come and one way or another, we will pay for it.

CLAUDIA ROYSTON
London SW19

I HAVE recently returned from the area around the city of Vukovar, which in January passed from the UN back to Croat control. The Croat campaign of terror against the Serbs refugees began the very next day, with the aim of ethnically cleansing them from the area.

On my return I was naively surprised to find no mention of these and other horrors, although I have since noticed a small and obscure paragraph on the subject. With the actions of the Serbs in Kosovo on the front page (9 March), would I be wrong in assuming that if the situation in Vukovar had been the reverse and the Croats had been the victims, the coverage might have been greater?

It is easy to identify a "baddie" and stick to that choice, but no one ethnic group has a monopoly on evil and aggression. We do the Balkans no favours by demonising the Serbs and presenting a complicated conflict in simplistic terms.

ALISON M DRAPER
Sevenoaks, Kent

End of estate agents?

ONE MUST welcome your leading article (5 March) on the need for reform of buying and selling houses, but shoring up a basically unsound system with rules and regulations is unlikely to provide a solution. There is a straightforward way of putting things to rights.

Estate agents are about the only middle-men in the market who don't hold their own stock - because, they say, they can't afford to - and their clients therefore have to borrow heavily to cover the transfers over which they preside. Agents also have a vested interest in holding out for high prices, thus forcing them up; since they charge a percentage for their "services".

Why not empower local authorities to buy and sell houses at a rateable value or the equivalent? They could afford to hold their stock; they would have every incentive to sell quickly at the best price within the range since their income depends on a levy on occupied premises; buyers would immediately know what was available to suit them in the locality; and home owners would become more mobile as a result of a diminution of the hassle of moving.

As state authorities, perhaps with the advice of estate agents employed as public servants, might in fact legitimately make quite a lot of money on the side.

JOHN A DAVIS
Great Shelford, Cambridgeshire

Heavy NHS workload

I SINCERELY hope that your informant about the focus of the current government spending review has got his wires crossed ("Clean up on NHS merit award system", 3 March). I am astounded at the suggestion that

the emphasis of the review is on "concern that some [consultants] are doing too little".

The real problem is that the overwhelming majority of consultants are now doing too much: many are at their wits' end trying to cope with extremely heavy and relentlessly increasing workload. Reductions in junior doctors' hours, an alarming increase in emergency admissions, the drive for faster and faster throughput of patients, shortages of doctors in many specialties and the administrative demands created by a stream of NHS initiatives are all contributing to this pressure, and with their open-ended contracts consultants find more and more responsibilities being piled upon them.

These are the issues that the Government needs to address. Punitive measures aimed at the tiny minority who may not be pulling their weight would serve only to undermine the morale of the hardworking majority on which the NHS depends so heavily.

JAMES N JOHNSON
Chairman
Central Consultants and Specialists Committee
British Medical Association
London WC1

Rössing uranium mine

YOUR report "MIS taped Cabinet minister, book claims" (2 March) refers in passing to Anthony Holand's claim to have been "found a job at the Rössing uranium mine" in 1969.

Not only does this company have no knowledge or record of Mr Holand being among the few geologists then exploring in the Rössing area - none of whom were British or Australian - but there was no mine at Rössing in 1969. It was four years later that a decision led to construction

beginning in 1974 and first production in 1976.

Moreover, Rössing's entire production has always been sold under contract subject to International Atomic Energy Agency and/or Euratom safeguards, as well as oversight by national regulators in the countries concerned, for the sole purpose of electricity generation.

Mr Holland's reported assertions about Rössing could not be true. GIDA NAKAZIBWE-SEKANDI
Manager Corporate Affairs
Rössing Uranium Ltd
Windhoek, Namibia

Priest was not a bigot

IT IS easy for S G Armstrong (letter, 9 March) to judge from the safety of Oxford the snap pastoral judgement of a Catholic priest in Northern Ireland when faced with the brutal murder of his parishioner Damien Trainor, alongside Damien's Protestant friend Philip Allen.

The priest gave Catholic last rites to Damien, who would have wanted them, and prayed with Philip, who would have wanted that and no more, yet he is judged "a bigot". Had he given the sacraments to a Protestant in those circumstances, he would presumably have been judged "a proselytiser", or worse.

HUGH LINDSAY
Grange-over-Sands, Cumbria
The writer was RC Bishop of Hexham and Newcastle 1974-92

Tips from Canada

YOU REPORT (4 March) on the minimum wage and tipping, Canada has had a minimum wage for some time but a lower rate is set for waiters, waitresses and hotel porters to take tipping into account.

IAN L FREEMAN
Leeds

Myth of media choice

TONY HALL, Chief Executive of BBC News (letter, 4 March) bangs on about the myth of "choice". Most people don't need choice in the media.

When we had fewer television and radio channels the controller's difficult job was to provide a balanced schedule that could appeal to the widest possible audience. The lack of "choice" meant that occasionally viewers and listeners might have the enjoyable experience of being stretched by material they otherwise would never have explored.

Now with the plethora of "choice" it's easier just to pick your channel, plug in and switch off. Then we wonder why we are raising a nation of children obsessed with cartoons or sport or violence or soaps or sex.

Radio 4 was a channel you could leave on all day, knowing that you would be entertained and informed in ways you might never have imagined.

No, choice is not good: diversity is good. By removing this diversity today's broadcasters are creating a fragmented nation of monocultures.

It takes less talent to deliver the glut of politics that Mr Hall promises than it does to produce a focused programme like *Yesterday in Parliament*, which by invading my ears for 15 minutes each day forces me to think about issues of which I might otherwise not have been aware.

KEITH JOHNSON
Old Isleworth, Middlesex

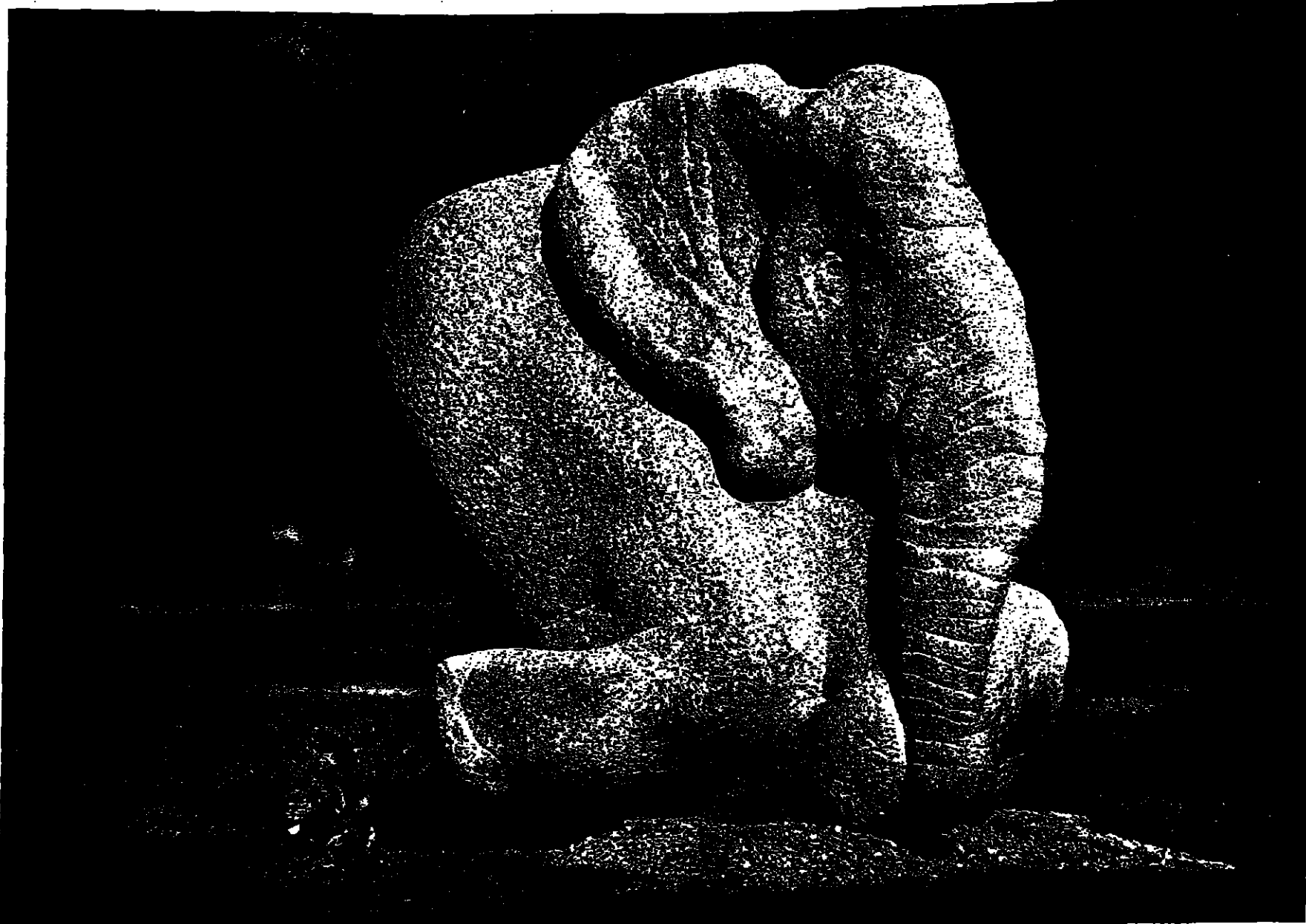
No competition

YOUR leading articles of 4 March display a surprising contrast in the treatment of Bill Gates and Rupert Murdoch. Apparently Gates is "an international treasure", while Murdoch is "an agent of moral debilitation".

Many would not see the distinction. As one familiar with software other than that of Microsoft, I avoid using its products to the same extent that I boycott the emanations of News International. Gates and Murdoch in their attitudes to competition are two sides of the same coin.

TIM DENNIS
Bitch, Essex

PICTURE OF THE DAY



The life-size granite sculpture "Wounded Elephant", by Ronald Rae, which was installed yesterday in Regent's Park, London

Photograph: David Rose

A 9x12 print of this photograph can be ordered on 0171-293 2534

LETTERS

Post letters to Letters to the Editor and include a daytime telephone number
Fax 0171 293 2056; e-mail: letters@independent.co.uk E-mail correspondents are asked to give a postal address. Letters may be edited for length and clarity.

The Tragi-comical History of King Tony, Part Two: enter, stage left, the Ghost



MILES KINGTON

YESTERDAY I brought you a fragment of *The History of King Tony*, the only known Shakespearean play dealing directly with the progress of New Labour. We didn't get much further than the famous defeat of the Tony Army, so let's see how King Tony settles in to power.

Scene: The Palace of Westminster. Enter King Tony accompanied by noblemen, courtiers, supplicants, advisers, Catholic priests, spin physicians, etc.

King Tony: Now, tell me, wise old men and gentle courtiers,

What is the greatest problem of our age?

Duke of Livingstone: It's very simple. To regain our Socialist ways.

King Tony: Oh, come, dear Ken! Be not so obvious!

Duke of Livingstone: Give socialism a chance! It has not yet been tried.

King Tony: Why, sirs, I keep this Duke of Livingstone

Like other men keep parrots in a cage,

To try out, ever and anon, in purist rage,

"Give the Left Wing a chance! Give it a chance!"

Livingstone: (aside) I'll lead this Tony such a devilish dance

When I am mayor of London, that he'll rue
The day he chose his centre-rightist view!
King Tony: The greatest problem of our age is welfare!

We must reform the bleeding welfare state!

So what we'll do is this. First, single mothers...

As King Tony pursues his speech, Dukes Prescott and Gordon-Brown stand apart and talk privately.

Gordon-Brown: What think you of our new anointed king?

Prescott: It suits him well. He loves to hear the crowd,

Beyond the palace walls, rehearse his name.

Here is a man who loves to be loved, methinks.

Gordon-Brown: And loves himself as well. See where his smile

Shines on his face when'er he makes a point.

The court all worship him, from whom comes light.

But he has worship only for himself.

Prescott: And for those who worship him! For President Bill!

For evil Rupert, known as the Dirty Digger,

For Gerry Robinson, the off-shore king...

Gordon-Brown: Thou sayest sooth. He craves

complete affection
From those below and everyone above!
As others desire money, he craves love!

Prescott: But hush. He looks this way. We must not seem

To be conspiring 'gainst his crown and throne.

Gordon-Brown: Let's smile and wave, and play the loyal friend.

But things may have a very different end...

Scene: a banquet hall, where King Tony and Queen Cherie are welcoming guests as they arrive.

Queen: Pray, welcome, one and all, whome'er you are!

From every walk of life, from law and City,

From showbiz's merry halls, from sport as well!

Lloyd-Webber, Branson, Spice Girls, Irvine the Lord!

We welcome citizens right across the board!

Livingstone: (aside) Except the working class.

There's none such here.

This is become an elitist show, I fear.

King Tony: My lords and ladies, welcome to my home!

Where we shall show a model of the Dome!

But first, to set the spirit of this merry night...
Enter the ghost of Old Labour, which only King Tony can see.

No, no! Foul ghost, begone! Avaunt my sight!

Your hands are caked with dirt! Your face is grim!

You look like Aneurin Bevan! And who needs him?

Queen Cherie: My Lord, what is this sudden fit!

What have you seen?

Why do you shake and glower at your Queen?

The ghost of Labour Past shakes his head at King Tony, points to a copy of the Labour Manifesto of 1945, wags a stern finger and vanishes.

King Tony: Saw you not the ghost of Labour past?

Courtiers: Well, no we didn't, your Highness, since you ask.

King Tony: Then, being so, I am myself again.

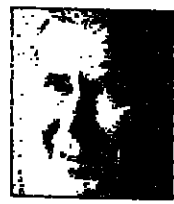
Mandelson: (aside) I'd better phone the guys at News at Ten

And ask them not to mention this new fit.

If Tony should crack up, I'll ruin it!

In forthcoming extracts, we hear from the beleaguered Lady Mowlam in battle-torn Ireland, "Mad" Jack Cunningham, Donald the Scottish Pretender etc. etc.

Worried about porn? You too can be an Internet policeman



ANDREAS
WHITTAM SMITH

POLICING the Internet has just begun in this country. The newly created Internet Watch Foundation announced last week that its hotline service has generated 781 reports referring to 4,300 items about which there were complaints. The bulk of the calls were about child pornography. Internet Watch was set up by the industry as a result of prompting by two government departments, the Home Office and Trade and Industry.

People are at once worried and despairing about the Internet. They can see that it will eventually bring material to the computer screen that will be as powerful as anything which is available in the cinema, on video or on television. For the moment, the poor quality of the moving image, in which everything appears stilled and fuzzy, has the effect of distancing the viewer. All the same, many web sites specialising in pornography are popular. And as the telephone links between computers begin to carry more data, so the primitive nature of the Internet will disappear.

The despair comes from what I think is largely a misapprehension that the Internet could never, for instance, be made as suitable for children as, say, early evening television. The argument is that cyberspace exists beyond national boundaries and cannot be reached by government law enforcement agencies and regulators. How can you stop somebody based upon an obscure island in the Caribbean sending out objectionable material which your children can quickly find by searching the Internet, children who seem so adept with computers? No 90's child watching on the computer screen!

The solution will be derived from the fact that if a label or electronic tag is placed on a web site or on individual web pages, then the computer in the home can be programmed to 'read' the tag and, if the user so chooses, decline to access the site or the page. The technology already exists and limited use is being made of it. Like so much else on the Internet such filtering is crude, or, to put it more kindly, of an early stage.

Nonetheless the questions thus become what sort of labels and whether companies and individuals posting material onto the world wide web can be persuaded to attach them. In the cinema, the British Board of Film Classification (of which I have recently become president) evaluates films according to their suitability for viewing by children and attaches an age label. This is appropriate because the gatekeeper is not only the parent but the ticket seller. If a 12-year-old turns up to seek entrance to a film rated '18', he or she doesn't get in. In the video market (which is also a British Board of Film Classification responsibility) the system is both evaluative, using age labels to guide staff in video shops, and descriptive, placing consumer advice on video packaging to help parents. As far as the Internet

is concerned, because parents are the sole gatekeepers, a descriptive system alone, which generates a neutral rating the computer can read (say, 'level 4' rather than 'suitable for viewers aged 15 or over'), is the appropriate method.

But who would carry out the rating for violence, sex, nudity, language, teaching of criminal techniques and so on? In the United Kingdom, the expert examiners of the British Board of Film Classification do this work before publication. This simply would not work with Internet material. There is too much of it. Pre-vetting would be impossible to arrange. The only way forward is do-it-yourself. Providers of Internet content would have to rate themselves.

This may seem a ridiculously optimistic objective, but the fact is that the American computer games industry has recently agreed to rate its products itself on a common basis. Makers of computer games fill out an ingenious questionnaire (on the computer screen, naturally) that branches through a series of highly detailed and narrowly defined questions to which the answer can only be 'no' or 'yes'. From the answers the computer automatically generates a score and a description. For instance, the computer game 'Doom' is rated Violence Level 3 with the accompanying description 'blood and gore'. This is a method which would be suitable for Internet material.

Unfortunately, for the purposes of regulation in cyber space, there are no distributors.



There is nothing equivalent to the position of British cinemas, whose licences from local authorities invariably contain a classification requirement, or equivalent to British video shops, where it is illegal to sell or rent out unclassified material, or equivalent to the American software retailers, who have allowed themselves to be pressurised into rejecting computer games that lack a rating label on the packaging. Except that in theory, you can now, if you have the correct software, set your computer so that it will not access untagged web sites or untagged material. To-day this would leave you for the most part with a blank screen but it shows how users will eventually be able to impose their will.

Until then, it is up to governments around the world, and all the big Internet players, to encourage self-classification and electronic labelling, to insist upon it where possible and thus engender a virtuous circle. The proprietary web sites like CompuServe have already made progress. Conventional publishers operating on the Internet can be targeted. So can makers of browsers; likewise the producers of search engines and all the other paraphernalia. The process will take some time. But in due course I believe that the means will exist for ordinary people, who hook up their home computers to the Internet, to contrive that material they deem to be objectionable, will be rejected. Each individual, each family will decide what to accept, what to reject. Computer technology is not frightening but enabling. Properly used, it will allow us to be our own policemen.

Ashdown and Blair – the future of the Lib Dems lies with them both

The Lib Dems can't beat New Labour so, says, Donald Macintyre, they may have to find ways of joining it instead.

IF ALAN Price, on hand to entertain the guests last night at the Liberal Democrats' tenth anniversary party, didn't sing "Oh, Lucky Man", he should have done. The fact is that Paddy Ashdown had a lot to celebrate at the National Liberal Club bash. A party which Ashdown took over in 1988, when its poll rating was within the margin of error of zero, now stands at 15 per cent, with more MPs than it has had at any time since Lloyd George. Its leading figures sit regularly round the Cabinet table under the chairmanship of Tony Blair. It has seen the Blair government introduce a series of constitutional reforms dear to its own heart. It is entitled to expect that it will share power in the first Scottish government for three centuries. A Blair government has granted it the favour high handedly denied it by a Jim Callaghan 20 years ago: a new proportional system for electing the European Parliament in 1999 which will widen its base. And it is closer than at any time since the 1920s to securing electoral reform for the House of Commons, thanks to a Commission chaired by its own elder statesman Lord Jenkins, a figure whom Blair appointed out of deep regard and whom he cannot fail to take seriously when he reports in October.

But this doesn't make the party's chronic dilemma any easier to resolve. It's pointed out by every hallowed demand on the Liberal agenda that Blair effortlessly grants. The Lib Dems' official stance towards the Government is that of "constructive opposition". When it concentrates on the "opposition" it risks drying up the flow of favours, the most outstanding of which, a new electoral system for the Commons, is still no more than in the pipeline. When it concentrates too much on the "constructive" it risks smothering its own distinctiveness – and with it the separate attention – especially media attention – on which its electoral strength, and therefore its bargaining power, may eventually depend.

In confronting this dilemma, Ashdown has to contend with a range of emotions – varying from wariness to extreme hostility – about Labour in his own party. Some of these emotions are easy to understand. It isn't, for example, all that surprising that activists worry about social authoritarianism in the Labour Party, especially when it is most apparent among some of Labour's most modernising tendency. Conversely since some of the most popular and sympathetic figures in the Liberal Democrats grew out of the social democratic traditions of the pre-Thatcher Labour party, it isn't surprising that they are nervous about whether New Labour is any more, and in any sense, a redistributive party.



Could they be friends for ever? Paddy Ashdown and Tony Blair at a 1995 VJ Day remembrance event

When Shirley Williams heartily congratulated the Blair government for its constitutional advances on the Today programme yesterday but admitted to being not yet sure about its social policies, she was being not only true to herself but to the facts. We don't know, and may not know until much closer to the next election, whether the ambitious gamble of luring the dependent off benefits and into work will have paid off for the poor as well as for the Exchequer. Finally, the

al Democrat's foundation will seek to put the brakes on Ashdown's continuing co-operation with the Government. They should start reflecting a little more clearly on how far Ashdown has brought them, and on the consequences that would follow a change of strategy.

At least two out of three opinion polls show the Liberal Democrats at slightly above their general election rating – which does not suggest the party is losing its identity in the public mind.

The idea that the Liberal Democrats could secure PR without some earnest of support for the Government that makes it possible is mere myth-making – they should dream on

strong belief among the pro-European Liberal Democrats – from Ashdown down – that Tony Blair could go further, faster, in leading public opinion towards Europe, and towards backing a successful monetary union, may or may not be correct. But it is perfectly defensible.

But there is also, rather quaintly in a party that pays almost uniform lip service to the cause of political pluralism, a deeply tribalist tendency within the Liberal Democrats. It surfaced, if in rather muted form, among some of those who attended a one-day meeting of Liberal Democrat MPs in January, when they urged Ashdown to damp down speculation about coalition with Labour. It will surface again more openly next weekend at the party's spring conference in Southport when activists and Liber-

al Democrats will seek to put the brakes on Ashdown's continuing co-operation with the Government. They should start reflecting a little more clearly on how far Ashdown has brought them, and on the consequences that would follow a change of strategy. At least two out of three opinion polls show the Liberal Democrats at slightly above their general election rating – which does not suggest the party is losing its identity in the public mind.

ate a much larger Liberal Democrat party whose future behaviour could not be predicted with any certainty? The idea that the party could secure PR without some earnest of support for the Government that makes it possible is mere myth-making. Unless the Liberal Democrats can be locked into the Blair coalition – they should dream on. A coalition is, no doubt, unlikely – unless and until Blair has at least promised he would back electoral change in a referendum. But after that it becomes a distinctively live possibility.

For Blair, the potential advantages are obvious – that of mobilising a centre-left majority for as long as he is interested in his job. But all those Liberal Democrats who are interested in more than merely piling up the council seats should consider the prize for them too. Party in a geuneflection to the dissidents in his own party Ashdown promises in a document for Southport that there is "no glass ceiling" on Liberal Democrat success. But, as he – and some of those MPs who are less willing to confront his party with the truth than he is, well know – that is only now true if they are ready for still closer co-operation with Labour. In a forthcoming article in *Political Quarterly* Alan Leaman, one of the party's most prominent thinkers, argues against a merger but strongly in favour of deeper cooperation. Before Blair it was possible to imagine that the Liberal Democrats might, as Ashdown promised in his leadership campaign ten years ago, replace Labour as the main anti-Conservative force. But not now. Blair likes Ashdown. His party should see that as an asset, not a liability.

Did you know that prune awareness week is nearly with us?



GLEND
COOPER

When each day is but an opportunity for selling, no cause gets a good outing

SUNDAY was International Women's Day. Yesterday was Commonwealth Day. Tomorrow is National No Smoking Day and later this week you can celebrate National Food Awareness Week, Daffodil Day and National Prune Week.

Ralph Waldo Emerson in his journals said that a day was a miniature eternity – and if you look at the list of special days it certainly seems that way. The Roman Catholic Church and its holy days of obligation has nothing on the late 20th century diary.

There are now 313 "awareness days" listed in the calendar, where our attention is sought for anything from arthritis education to hedwetting. With of course Bosses' Day (15 October) and

Secretaries' Day (23 April) thrown in for good measure.

Many of these days are nothing more than a chance for commercial exploitation (I refuse to believe that any tie-wearers need help and support for British Tie Week) or a handy peg to try to construct a news story. But the problem is that too many special days make any anniversary meaningless.

International Women's Day is a day in point. Do we really need a Women's Day to highlight women? We can hardly call ourselves a minority. Or is it not just a convenient way to ghettoise "women's issues", pushing them safely to 8 March for another year. Apart from taking advantage of free gym sessions, how many of us actually did

something for IWD?

Of course part of the problem is that IWD has always had to compete with the far more cuddly Mothering Sunday which falls a few Sundays later. But when International Women's Day was first set up it was with a definite purpose in mind – to highlight the bad working conditions of working women. Its roots stretch as far back as 1857, coming out of a march by American female textile workers who were demonstrating for better conditions. The first International day took place in 1911.

It was really after the First World War that the day took off, with communists like Clara Zetkin, known as the "mother of IWD", persuading Lenin to

make it a national holiday. After the 1930s women's day largely died out in the West – partly because of its association with communism – until the 1970s when the UN declared an International Women's Day.

The last big IWD demonstration in Britain was in 1971 when 5,000 women demonstrated, demanding equal pay, equal opportunity, free 24-hour childcare, free contraception and abortion on demand. But nowadays people have only the faintest idea of what IWD should be for.

The country where IWD is celebrated with the most fervency is still Russia where Women's Day is a big holiday, second only to New Year. On Sunday, President Yeltsin told

the nation's women: "It is long established that building a house, putting up its walls and roof, is the job of a man. But they call on you, our women, to ensure the home is a comfortable one." Thanks, Boris. No mention then of the 14,000 women who get murdered in Russia every year.

No, it's time to call a halt to all these days. For good causes it's a lazy way of trying to raise awareness that has become meaningless through overuse. And it gives the others the chance to inflict Flea Awareness Week, Foot Health Week, International Left-Handers Day and National Take Your Dog to Work Day upon us. Myself, I'm voting for a National Non-Observance Day.

DASA, the aerospace branch of the Dunlop Benz corporate empire, gave a festive dinner at the Howard Hotel last week. George Robertson, Secretary of State for Defence, was an honoured guest and seated at the top table while his Special Policy Adviser, Bernard Grey, was seated at another table beside Quentin Davies, Conservative MP. Whitehall insiders have told Pandora that Grey, until recently the former defence correspondent of the *Financial Times*, is brimming with self-confidence and has already made a commanding impression on his new colleagues.

However, the former hack was not impressed with his treatment by the Germans and complained to his hosts following lunch about his seating arrangements. Not only should he have been placed at the top table, Grey pointed out, but he was placed next to a Tory! Considering the quietly effective bi-partisan approach which his

boss Robertson has taken to defense policy since assuming office, Grey should be careful lest such behaviour is regarded as "off-message" by his Millbank superiors.

EVER SINCE the boom in new London restaurants in the early 1990s, it has become increasingly difficult to persuade restaurant critics to attend yet another launch party. (After all, aren't you supposed to be anonymous when you arrive to judge the latest trendy taverna?) But clever Irish restaurateur Oliver Peyton tried a new tack when launching his London branch of Mash on Great Portland Street. He asked the hungry press to branch last Saturday and invited them to bring their children.

This strategy worked brilliantly, as anyone who has ever tried to plan a London weekend with children would expect. By 2pm, the sleek micro-brewery dining room of Mash was



frothing with restaurant hacks, most with kids in tow. These including Bill Knott, restaurant critic of the *Telegraph*, Caroline Stacey of *Time Out*, Rory Ross of *Tatler*, Sarah Miller, editor of *Condé Nast Traveller* and Simon Mills, editor of *GQ* Active. Erika Fay Maschler, grande dame of the London *Evening Standard*, said she wished she'd brought her grandchildren. Will this start a new restaurant PR trend, with bouncy castles at the lat-

est Conran and Marco inviting the critics to dine in a peeing zoo?

THE 18 AWARDS bill themselves as "the only event recognising arts and entertainment for adults". That doesn't mean pornography, according to the organizers, but rather "seeing an 18 film at the cinema, reading a JG Ballard novel or catching Prodigy or Eddie Izzard on stage". Sounds perfectly respectable to Pandora. However there was a bit of a rumpus behind the scenes at the Savoy, site of last year's awards. That most ceremonious of hotels took exception when guests complained about meeting naked youths dashing about the corridors. In fact, these were models in body-paint taking part in the 18 Awards ceremony. Someone gathered the models' clothes together, stuffed these into bin liners and tossed them onto the pavement. When the Hon Gerald Kaufman, chairman of the Commons Select Committee on

Culture, Media and Sport, was asked recently if he would judge this year's awards at Alexandra Palace, his response was brutal. "I do not wish to be associated with your event," he wrote to the sponsors. Perhaps you should grow up a little, Gerald.

SOME AMERICAN has sent Pandora an e-mail titled "Top 50 Ozymorons". These range from "plastic glasses" to "happily married" to "synthetic natural gas" to "rap music" to, at the top of the list, "Microsoft Works". May I suggest "hard humour".



Pandora

"My boss won't let me sit down"

"I work eight hour shifts without sitting down – sometimes with no breaks. On one's not allowed and I was told joining one is a disciplinary offence."

Paula deserves the right to be heard.

of the right to be heard

Reed calls off £18bn link-up with Wolters

By Peter Thal Larsen

Reed Elsevier, the Anglo-Dutch publishing group, yesterday shocked the stock market when it called off its proposed £18bn merger with Wolters Kluwer, the Dutch group after the deal run into opposition from European competition authorities.

In a joint statement, the two companies said that "in the last few days Wolters Kluwer has made it known to Reed Elsevier that it needed to renegotiate a number of the terms of the proposed merger". This came after Wolters Kluwer concluded that the conditions set by regulators for clearing the deal would have "adverse implications for the benefits of the merger for the respective shareholders of all three companies".

A Wolters spokeswoman said that disposals required by the regulators would have threatened the company's 15 per cent annual earnings growth target.

However, the parties said no other matters had arisen in the course of the financial due diligence between the parties that would otherwise have given cause for the merger to be cancelled.

The merger, which was announced last October, was to have created the world's largest professional and scientific publishing group, with combined profits of £1.2bn on sales of £5bn, and with dominant positions in medical and legal publishing.

However, it had attracted vociferous opposition from consumers, who argued that the combined company's grip on certain markets would be too strong.

In recent years Reed Elsevier, which is controlled by holding companies Reed International

and Elsevier, has concentrated on building up its positions in what it calls "must-have" information - scientific, legal and professional information that consumers must have access to at all costs. The company, which is led by joint chief executives Nigel Stapleton and Herman Bruggink, has also spearheaded the move into on-line publishing. Shares in Reed International plunged 57p to 620p on the news while Elsevier shares fell 3.10 guilders at 34.50. Shares in Wolters Kluwer closed down 3.90 guilders at 303.10. Shares in the three companies had risen by between 10 and 20 per cent since the merger was announced.

Analysts said the news was a setback for Reed, but was not fatal. "It's not the end of the world. It's more a question of lost opportunity," said Louise Barton, an analyst at Henderson Crosthwaite.

The merger was not about cost cutting - the cost savings of the deal were expected to be no more than £50m. Experts had expected the deal to increase both companies' growth rates into the next century.

Reed Elsevier and Wolters had described the benefits as "synergies". Users of both com-



Nigel Stapleton: Plans for 'synergies' collapsed

panies products, however, were concerned that the merger would give them the power to increase prices in some of their markets.

The European Commission had received complaints about the potential dominance of the tax and legal publication business. Legal companies currently marketing their products through Reed's Lexis-Nexis on-line database were also worried that their products would be pushed out in favour of Wolters Kluwer's offerings.

The complaints found a sympathetic hearing with the Commission, which last December said it had "serious doubts" about the proposed deal, arguing that there were "very significant overlaps between the activities of both parties in several areas [for example, in the areas of legal and tax publishing] where the position of either one or both of the parties seems already strong at the moment".

US competition authorities were also scrutinising the merger closely.

Industry experts said yesterday the prospect of being forced to sell more business than expected may have soured the deal. "They've had a huge number of objections and would have had to sell a large number of the businesses," said one analyst. "There was a huge hassle factor. It takes time to do these things."

Analysts said Reed was now likely to concentrate on building up its business through a series of smaller acquisitions. The company, which has brought forward the reporting of its full-year 1997 results to Thursday, has a strong balance sheet following the January sale of IPC, its consumer magazine business, to a management buyout team for £500m. Outlook, page 19

Investors take fright as President Suharto presses ahead with currency board plans



A money changer counting millions of rupiah in Jakarta yesterday. The Indonesian currency was quoted as low as 12,250 to the US dollar before recovering slightly to 10,500 in afternoon trade after differences between the International Monetary Fund and Jakarta burst into the open

Rupiah dives as Indonesia blames IMF for potential social upheaval

By Stephen Vines
in Hong Kong

INDONESIA lashed out at the International Monetary Fund (IMF) for delaying payments from a \$40bn (£24bn) rescue plan, warning that some of the agency's reforms could trigger social upheaval.

The moves dealt another blow to Indonesia's battered credibility with investors, sending the rupiah tumbling as much as 20 per cent to the dollar, and pushing the benchmark stock index down 3.2 per cent.

Yesterday, on the eve of President Suharto's re-election, his administration indicated that it was ready to go it alone if the IMF insisted on unacceptable reforms.

At a meeting with political leaders President Suharto said: "The IMF package will impose a liberal economy, which is not in line with the constitution." It was left to one of his ministers, Ginandjar Kartasmita, who is responsible for national development planning, to up the stakes further. He said yesterday: "We welcome international bodies such as the IMF and the World Bank to help Indonesia. But if that means they can impose their will or humiliate us, we would be better off without their aid."

Although this tough talking may well appeal to the nationalist sentiments of the hand-picked National Assembly members, it did not impress the investment community which promptly sparked yet another run on the local currency.

The slump triggered falls elsewhere in Asia: stocks fell in Singapore, Malaysia, South Korea and the Philippines in the wake of a 20 per cent decline in the value of the rupiah.

Hong Kong, Thailand and Malaysia also felt the Indone-

sian tremor but recovered by the end of trading.

Among the most contentious issues between the IMF and the Indonesian government is President Suharto's enthusiasm for a currency board to tie the Indonesia rupiah to the US dollar at a fixed rate.

Bambang Trihatmodjo, one of the President's sons, said that his father intended to announce the establishment of a currency board after his swearing-in tomorrow.

Not only the IMF but all countries which are contributing to the bailout oppose the creation of a currency board.

The head of foreign exchange trading at a European bank in Singapore said that a board system would last no more than a few weeks at the most and then the currency would spiral into freefall.

"If that happens it would be catastrophic," he said. "There's been some wild talk about boards of bank money invading Malaysia and Singapore if Indonesia collapses, but now it doesn't seem so wild."

At the end of last week the IMF announced a delay in the disbursement of the second tranche of the \$43bn bailout. Although IMF officials tried to play down the delay, it clearly demonstrates that an impasse has been reached over implementation of the IMF reform package.

Spokesmen for the IMF kept a low profile, hoping that the government in Jakarta can be pulled back from the brink without a confrontation. However, hopes of this happening are dwindling. In New York yesterday, Lawrence Summers, US Deputy Treasury Secretary, declined to comment on the latest developments in the unfolding financial crisis.

Unrest grows, page 11

Halifax trumps rival with £780m Midlands bid

By Lea Paterson

HALIFAX, the banking group, last night trumped the Royal Bank of Scotland (RBS) in the battle for Birmingham Midshires with a £780m rival bid for the building society. Halifax's offer represents a premium of 24-29 per cent over RBS's offer of between £480m and £630m.

David Gilchrist, Halifax group secretary, said the Royal Bank of Scotland's bid "significantly undervalued the business".

The RBS had earlier said it would not raise its offer "under any circumstances".

City experts said Halifax's offer would be good news for

more than 1 million Birmingham Midshires' members - who each stand to net an additional windfall payment of up to £150 - but could be bad news for the building society's 2,000 employees.

The RBS said it would preserve the Birmingham Midshires brand as well as its 115-strong branch network. It has also guaranteed jobs for Birmingham Midshires' employees for three years.

City analysts believe Halifax is likely to cut jobs and close branches in order to justify the premium it has put on the building society.

Halifax has pledged to keep the Birmingham Midshires brand for at least three years, but has

made no guarantees about jobs or the branch network. Mr Gilchrist said no such guarantees would be forthcoming, although he stressed that Halifax's previous large acquisitions - Clerical Medical and the Leeds Permanent Building Society - were completed without the need for any compulsory redundancies.

A Birmingham Midshires spokesperson said the directors were considering Halifax's offer. On the subject of possible job losses, he said: "It has always been integral to Birmingham Midshires board to add value to the society and its key stakeholders. That includes our members and our 2,000 employees."

Halifax said it considered making an offer for Birmingham Midshires for "several weeks", but only approached the building society last Friday, when Jon Foulds, Halifax's chairman, held informal talks with John Leighfield, his counterpart at Midshires.

Under the terms of its agreement with the RBS, signed last year, Birmingham Midshires cannot hold formal talks with a rival bidder. It is also obliged to put RBS's offer to members, although it does not have to recommend the bid.

Members of Birmingham Midshires are due to receive details of the RBS offer in April. They were scheduled to vote on the proposed deal at a special

general meeting in June and the takeover was expected to be completed in the early autumn.

Halifax said it intended to match the Royal Bank's existing timetable as far as possible.

Under the terms of the offer from RBS, Birmingham Midshires' 1.1 million savers and 130,000 borrowers each stood to collect windfalls worth up to £500.

The Save Our Building Societies (SOBS) campaign, which has opposed the RBS offer for undervaluing Birmingham Midshires, described the Halifax as "nothing better than an enormous carpetbagger". Outlook, page 19

Manufacturing nears recession as retail sales growth slows

By Diane Coyle
Economics Editor

FIGURES showing manufacturing output flat, inflation at the factory gate falling to its lowest since 1967 and hinting at slower retail sales growth encouraged hopes yesterday that the danger of an increase in interest rates has passed.

The official statistics indicated manufacturing is on the verge of recession, and helped nudge the pound back below the psychological DM3 barrier yesterday.

But the view that the evidence has now vindicated the majority on the Bank of England's Monetary Policy Committee against a rate rise was not universal. Hawks in the City took support from a new monthly estimate of GDP which suggested growth has picked up modestly since the new year.

There is no doubt manufacturing is the weakest part of the economy, with output unchanged in January after falling for the previous three months. A sharp drop in oil and gas production and to unseasonably warm weather, took the broader industrial pro-

duction measure down 0.6 per cent during the month.

Manufacturing activity is scarcely any higher than a year ago, and has reached a level barely 5 per cent higher than its 1990 peak. But some analysts remained convinced the official figures underestimate the health of industry, as surveys and reports of skill shortages have painted a more upbeat picture.

But there was no disagreement about the lack of inflation in industry, with prices paid for materials falling 0.2 per cent in

February to a level 9.5 per cent lower than a year ago and little higher than 10 years ago.

"Core" prices charged by manufacturers rose just 0.1 per cent. Their annual inflation rate, which edged down to 0.4 per cent, is the lowest since 1967.

Meanwhile, a survey indicated a sharp turnaround in the value of sales on the high street last month. The British Retail Consortium said total sales growth slowed from a buoyant 9.0 per cent in January to 6.6 per cent in February. The underlying trend was more buoyant, nearing its summer peak.

A new economic indicator published for the first time yesterday, a monthly estimate of GDP published by the National Institute of Economic and Social Research, suggested growth had recovered slightly.

The new index, which has the merit of giving a broad assessment of the economy at more frequent intervals than the official GDP data, rose by 0.5 per cent in the three months to February, up from a low of 0.2 per cent in November. Although still well below the 1.2 per cent three-month growth rates seen in July and August.

Fund managers buy into mid cap stocks

UK fund managers have been buying heavily into FTSE 250 stocks, reflecting renewed confidence in the economy, according to the latest Merrill Lynch/Gallup industry survey, writes Lea Paterson.

The survey also revealed a general decline in enthusiasm for UK equities as a whole and a pessimistic view of Japan's economic prospects.

Trevor Greenham, global strategist at Merrill Lynch, said: "Medium-sized companies tend to be more sensitive to the domestic UK economy than their

larger FTSE 100 cousins. The growing sense that the UK economy may not be slowing so rapidly after all may help to explain why fund managers are at last paying more attention to these stocks."

Thirty-eight per cent of UK fund managers said they preferred FTSE 250 stocks to FTSE 100 stocks, compared with 15 per cent last month.

The decline in buying interest in UK equities as a whole - buyers of UK equities now outnumber sellers by just 3 per cent - indicates that UK fund managers are now happy with their cash levels.

UK firms could afford £30bn buy-backs

BRITAIN's biggest companies have enough firepower to finance £30bn worth of share buy-backs or acquisitions, according to a report published yesterday, writes Michael Harrison.

The latest analysis by the US investment bank Lehman Brothers estimates that Britain's 350 biggest non-financial companies could halve the cash in their balance sheets and still be less geared than their US counterparts. With the buy-back rage set to grow further this year, Lehman estimates that British Telecom could afford to return £5bn to share-

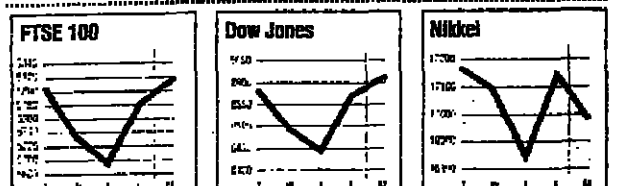
holders, and BP £600m. BTR last week announced a £2bn share buy-back.

The abolition of dividend tax credits has reduced the attractions of equity for tax-exempt UK funds while the phasing out of advanced corporation tax has made share buy-backs more tax efficient.

Lehman said reducing cash holdings by £30bn would raise the net debt to equity ratio from 0.4 to 0.6 per cent - on a par with the European average but still well below the figure in the US.

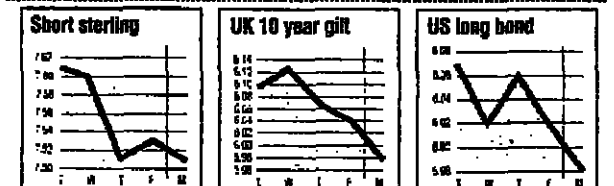
Outlook, page 19

STOCK MARKETS



Indices	Close	Change	Change(%)	52 wk High	52 wk Low	Yield(%)
FTSE 100	5818.90	38.00	0.62	5850.00	4198.10	3.26
FTSE 250	5357.90	7.30	0.14	5289.50	4384.20	2.99
FTSE 350	2782.10	14.70	0.53	2796.50	2075.70	3.20
FTSE All Share	2709.00	14.22	0.53	2720.99	2056.07	3.18
FTSE SmallCap	2501.40	11.30	0.45	2490.10	2182.10	2.79
FTSE Pharma	1356.40	3.10	0.30	1362.30	1225.20	3.18
FTSE AIM	1071.60	-0.70	-0.07	1135.50	965.90	1.02
Dow Jones	8611.73	40.10	0.47	8565.08	8368.78	1.02
Nikkei	18912.50	-169.44	-0.93	20010.79	14488.21	0.90
Hang Seng	10984.00	74.58	0.68	10920.31	7908.13	3.48
Dax	4780.80	64.88	1.38	4782.84	3192.33	1.59

INTEREST RATES

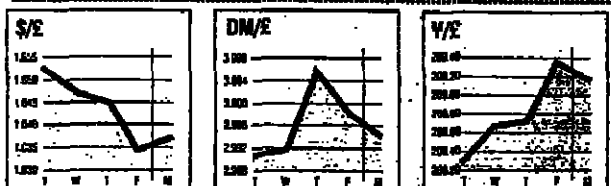


Money Market Rates	3 month	1 yr	3 yr	5 yr	10 yr	15 yr	30 yr
UK	7.55	1.31	7.82	0.75	5.97	1.32	5.94
US	5.69	0.13	5.81	0.25	5.97	0.85	5.98
Japan	0.73	0.23	0.89	0.12	1.83	-0.72	2.48
Germany	3.51	0.26	3.77	0.44	4.94	-0.76	5.53

Bond Yields	10 yr	1 yr	3 yr	5 yr	15 yr	30 yr
UK	5.97	1.31	7.82	0.75	5.97	1.32
US	5.97	0.13	5.81	0.25	5.97	0.85
Japan	1.83	0.23	0.89	0.12	1.83	-0.72
Germany	4.94	0.26	3.77	0.44	4.94	-0.76

MAIN PRICE CHANGES	Price	Change	% Change
BTP	270.00	20.00	10.83
Recomptabilis	190.00	17.50	10.14
Close Bros group	726.50	45.00	6.50
WPP Group	314.00	16.50	5.55

CURRENCIES



\$/£	100 \$	100 DM	100 ¥
Dollar	1.6387	+0.21%	1.9307
D-Mark	2.9940	-0.48%	2.7488
Yen	208.16	-0.52%	195.19
£ index	108.10	+0.00%	97.30

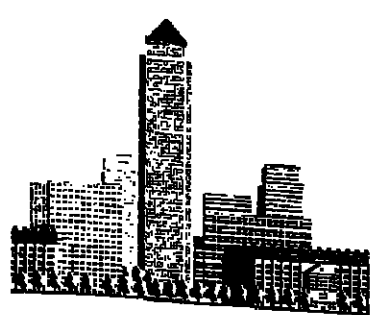
DM/£	100 DM	100 ¥
DM/£	1.6387	+0.21%
DM/£	2.9940	-0.48%
DM/£	208.16	-0.52%

¥/£	100 ¥	100 DM
¥/£	1.9307	+0.21%
¥/£	2.7488	-0.48%
¥/£	195.19	-0.52%

TOURIST RATES

Australia (dollars)	2.3623	Italy (lira)	2.873
Austria (schillings)	20.46	Japan (yen)	207.54
Belgium (francs)	60.06	Malta (lira)	0.6299
Canada (\$)	2.2621	Netherlands (guilders)	3.2765
Cyprus (pounds)	0.8496	Norway (kroner)	0.19
Denmark (kroner)	11.17	Portugal (escudos)	295.63
Finland (markka)	8.9006	Spain (pesetas)	246.37
France (francs)	9.7582	South Africa (rand)	7.818
Germany (marks)	2.9229	Sweden (kroner)	0.85
Greece (drachmas)	481.26	Switzerland (francs)	2.3854
Hong Kong (\$)	12.28	Turkey (lira)	367.093
Ireland (pounds)	1.697	USA (\$)	1.5979

Source: Thomson Cook
Rates for indication purposes only



OUTLOOK ON COLLAPSE OF REED'S MERGER, HALIFAX'S BID FOR BIRMINGHAM MIDSHIRES AND THE DASH TO DISPOSE OF CASH

Merger mania starts to run out of steam

IS MERGER mania turning to merger aversion? Well perhaps not quite yet. Too many City bonuses are riding on the present dash to consolidate – as well as some heady share price valuations. But for two of the present wave of giant mergers to turn to dust within the space of a couple of weeks begins to look eerily like a trend.

The backdrop to these two episodes is very different. With Glaxo and SmithKline, the story was about personal and cultural incompatibility; it was about different styles of management as much as who was going to run the show. With Reed Elsevier and Wolters Kluwer it was more to do with competition issues than anything else.

Reed was last night blaming Wolters, claiming it made unacceptable demands for a change in the terms of the deal. What really seems to have happened is Wolters began to believe the competition authorities were demanding too high a price in terms of asset disposals to make the deal worthwhile to its own shareholders. Attempting to renegotiate the terms with Reed may have been just a pretext for scuppering the deal.

So yes, these two mergers broke down for entirely different reasons. There is a theme here none the less.

Put at its most basic, the industrial case for consolidation is to build higher market share at lower cost. It wouldn't be wholly fair to depict this process as a cynical attempt to squeeze customers and employees for the benefit of shareholders. There's a bit more to it than that. But this is certainly a part of it – if only because the commercial pressures on companies are all the other way right now.

Globalisation, rapid advances in information technology, and greatly enhanced competition is destroying margin as never before, creating unprecedented pressure for cost cutting consolidation. Unfortunately, or perhaps happily depending on your point of view, the competition and management issues involved seem to be getting too big to handle.

Market lessons for mutuals

MICHAEL JACKSON, chief executive of Birmingham Midshires building society, may well deserve the hard time he's getting from the press and others for agreeing a bid from Royal Bank of Scotland which now looks like a severe undervaluation. But there's another way of looking at it.

What about this proposition? When Birmingham Midshires agreed last August to takeover terms of between £605m and £630m, it signed a no-lose deal. At the time, the price looked reasonable when compared with other building society conversions, the existing Birmingham Midshires board was to be given complete autonomy within RBS, the brand would be preserved, and there was to be a three year guarantee to staff on job losses.

Mutually owned institutions are not like PLCs. When directors consider their fiduciary duties, they are obliged to act in the long-term interests of the society as a whole, including employees, not just the organisation's owners. The deal with RBS seemed to square the circle – a decent

windfall for the members and a guaranteed medium-term future for the society.

Since then, share prices among the converted building societies have risen 20-40 per cent and the RBS terms – at 12 times current earnings and 1.7 times book value – have begun to look poor set aside valuations of up to 19 times earnings and 3 times book for Halifax and its like.

OK, concedes Michael Jackson. If he were striking the deal today he would have gone for something higher. Few people anticipated these soaring share prices, and, in any case, there's nothing in the agreement with RBS to preclude Halifax or anyone else from tabling a higher bid if they want to. Just think what would have happened if share prices had gone the other way, if they had fallen rather than risen. Then the boot would be on the other foot. According to Birmingham Midshires, then, far from cocking up the original negotiation, it has managed to put a floor under the price while at the same time leaving the door slightly ajar to others.

Perhaps unsurprisingly, RBS has a different interpretation. It believes it has a legally watertight lockout agreement with Midshires and that the Midshires board will not be able to consider Halifax's higher offer, far less recommend it.

We'll see. Part of the blame here lies with the cumbersome process of conversion. Unlike bids for publicly listed companies, which have to be completed within 90 days, building society conversions take an awfully long time – up to 18 months. If this takeover had happened when it was first announced, nobody would be grum-

bling. Nor would anyone be complaining if the terms had been fixed not in cash but in RBS shares, which have enjoyed the same ride as the converted building societies over the last nine months.

But perhaps the biggest lesson here is that there are no half-way houses between the utopianism of the mutual tradition and the slash and burn priorities of the joint stock company. Once the principle of mutuality is conceded, there's no turning back. Once the door is opened, the wolves will be in. It is probably not possible for a building society both to convert and have everything continue in the same cosy way as before, which was the intention of the RBS deal. However, Halifax needs to be a bit careful here. It too might find itself victim of the stock market's appetite for cost cutting consolidation.

The dangers of too much debt

HALIFAX is another of those former building societies that has more cash than it knows what to do with. When it is not using up the surplus to bid for its erstwhile compatriots in the mutual movement, it is busy returning the stuff to shareholders by the barrow load. Odd really, when the whole idea behind conversion was supposed to have been to give building societies access to capital markets, not give the capital markets access to the cash built up over decades of mutual ownership.

Never mind. The mantra these days is balance sheet efficiency and Halifax is

intoning it along with everyone else. Greed is good but debt is better and woe betide the business which is under-leveraged. That is why share buy-backs are all the rage. What began as a trickle in 1996 and developed into a stream last year could easily become a torrent over the next few years. The latest estimate from Lehman Brothers, published yesterday, puts the amount of equity that could be "retired" this year, either through buy-backs or cash acquisitions, as high as £30bn.

There are some compelling reasons why repurchasing share capital is proving so popular. The abolition of dividend tax credits has made equity a less attractive investment for the tax-exempt funds. At the same time, the phasing out of advance corporation tax gives companies the opportunity to buy back capital without the risk of being left with ACT payments that they will never be able to offset against mainstream tax.

Buying back shares to reduce the cost of capital is one thing. The focus is now on how to leverage balance sheets further through direct substitution of debt for equity. If Lehman Brothers is right, UK PLC has plenty more scope. Reducing the cash holdings of the top 350 companies by a half would still only bring gearing levels up to the European average. They would still be a long way behind the hugely leveraged Americans. But everything, as they say, in moderation. Those American investment banks that are promoting the corporate debt market so heavily now have conveniently forgotten how it all ended in the nasty mess called Drexel Burnham Lambert a decade ago.

Menzies' chief set for £1m pay-off in WHS deal

By Nigel Cope
City Correspondent

The managing director of the John Menzies retail business is in line for a £1m pay-off following yesterday's agreement to sell the chain to WH Smith for £68m.

Steve Robinson, who has run Menzies' high street stores for four years, will leave the group when the deal has been completed. He is on a three year contract of around £170,000 which will entitle him to £500,000 compensation. How-

ever, it is understood that Menzies has agreed to double that figure in return for ensuring a smooth handover of the business to Smith's.

The lavish compensation seems certain to anger Menzies' shareholders and create another corporate governance row over boardroom pay.

David Mackay, John Menzies' chief executive, declined to confirm details of Mr Robinson's severance terms yesterday. He said the detail would be available in the company's next annual report. However, he

did pay tribute to Mr Robinson's role in improving the Menzies operation: "He has played a key role in bringing the business forward and he deserves some recognition for that."

Mr Robinson had been part of a management buy-in group that lost out to Smith's in the battle for Menzies. Under a £55m offer tabled by Alchemy, the venture capital group, Mr Robinson would have remained in charge of the stores and taken a stake in the business. Under the terms of yesterday's deal

the enlarged business will be run by Beverley Hodson, managing director of WH Smith Retail.

WH Smith said it had no plans to break up the Menzies chain. While it admitted that there would be some store closures and job losses, Smith's pledged to keep most of Menzies' 232 stores and retain the Menzies name in Scotland where it has 92 outlets. The remaining stores south of the border will be re-branded as WH Smith.

Richard Handover, chief executive of WH Smith, said the deal would enhance the

group's position both in Scotland and in railway stations and airports: "It is a good opportunity for us to get truly national coverage. We plan to keep the whole business ... we have bought it to grow it."

He said WH Smith had met the Menzies management last year but stressed that this was not about buying the retail chain but about the possibility of sharing certain functions such as IT systems in the distribution business.

WH Smith shares closed 10.5p to 503.5p. Menzies' rose 13p to 441.5p.

Ryanair's \$2bn order aims to double size of fleet

By Michael Harrison

Ryanair, the low-cost Irish airline, yesterday unveiled plans to more than double the size of its fleet with a \$2bn (£1.2bn) order for new Boeing jets – the biggest in the carrier's 13-year history.

The new aircraft, due for delivery from 1999 onwards, will be used to expand Ryanair's route network as its steps up its operations in preparation for the launch of British Airways' own no-frills, low-cost carrier Go.

Ryanair, which floated on the Dublin and New York stock markets last year, is buying 25 Boeing 737-800 aircraft for use on its burgeoning European route network from Stansted airport. It has taken out options to buy a further 20 of the 189-seat aircraft.

Howard Millar, Ryanair's financial director, said the order would be financed partly through the airline's cash resources and partly through debt.

The aircraft will be delivered at a rate of five a year, enabling

Ryanair to hit its target of increasing capacity by 25 per cent a year. Last year it 4 four million passengers with a fleet of 17 Boeing 737s and this year expects to carry 5 million. Six new routes to France, Italy and Sweden are being added to its 22 existing destinations this summer.

Mr Millar said Ryanair was in talks with 45 other airports about launching new routes. It is also in discussion with the Stock Exchange about a London listing but there were no plans for any equity issue.

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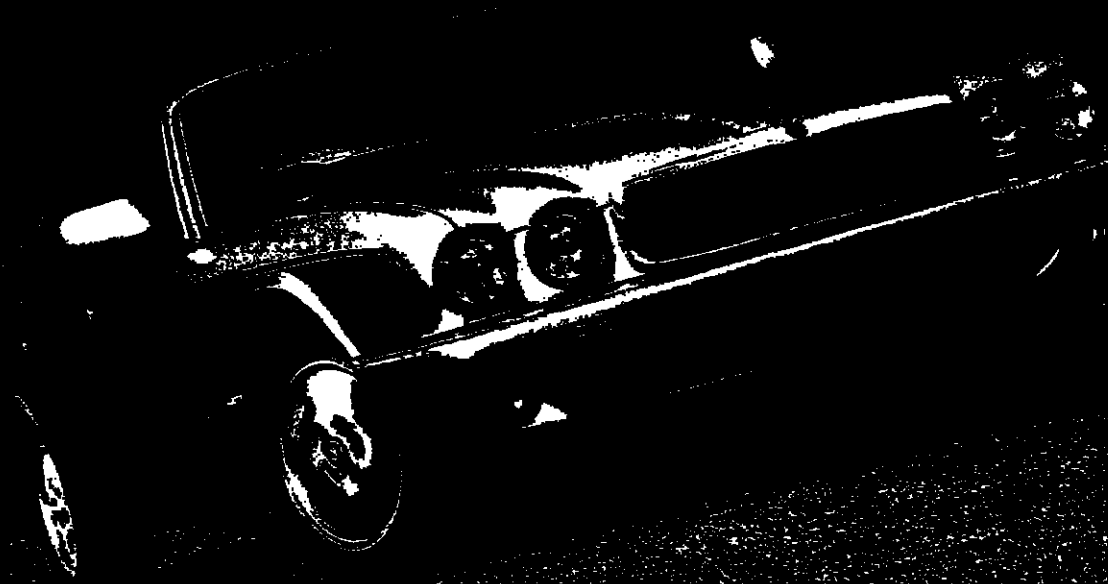
JAGUAR.

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The new Jaguar V8 XJ Series gets up to things rarely seen in a saloon. In all 3.2, 4.0 and supercharged 4.0 litre versions, a hydraulically-mounted

AJ-V8 performs like no engine before it. It's cradled by an all-new suspension system, which takes the refined and robust handling that all Jaguars are quite rightly

famous for) to newer and greater heights. The automatic 5-speed transmission 'reads' your driving conditions to maintain both traction and stability, inhibiting gear

changes at high cornering speeds (which is also ideal for high corners). Variable ratio power assisted steering provides the new Jaguar with effortless

manoeuvrability to which words can scarcely do justice. A test drive, on the other hand, will speak volumes. Don't dream it. Drive it.

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Emerson removes Astec directors to gain board majority

By Peter Thal Larsen

EMERSON Electric, the US giant, yesterday carried out its threat to remove three executive directors from the board of Astec (BSR), the electronics group in which it holds a majority stake.

At an extraordinary general meeting, called by Emerson, the company used its 51 per cent shareholding in Astec to vote the finance director, Mike Arrow-smith, technical director Neal Stewart, and manufacturing director Mike Smith off the board.

They were replaced by three Emerson nominees - Stephen Corinovic, Olivier Delage and Robert Staley. The three men, about whom no details were released, will become non-executive directors.

The move gives Emerson representatives a majority on the Astec board, allowing them to carry out their proposed policy of ceasing dividend payments by Astec.

The move was strongly criticised by Brian Christopher, Astec's chairman, who said the removal of the three directors was "not in the interests of all shareholders".

Numerous institutional and private shareholders had flocked to the egm to voice their disapproval at Emerson's tactics. However, nobody from the US company showed up. Instead, it was represented by three lawyers from Norton Rose, Emerson's legal advisers, who voted the shares on the company's behalf.

Despite repeated interrogation from other shareholders, Emerson's representatives consistently refused to answer questions on the grounds that any answers they gave might be prejudicial to the court case that a number of institutional investors in Astec have launched against Emerson. The shareholders argue that Emerson has behaved with unfair prejudice against the minority shareholders, in contravention of

Rule 459 of the Companies Act.

A judge is expected to rule this week whether the legal action, which was lodged with the court last week, can proceed.

Peter Marshall, one of Astec's independent directors, criticised the lack of Emerson representatives. "The dominant shareholder should send someone. They haven't answered a single question or offered any words of explanation," he said.

The meeting started with the institutional shareholders in Astec calling for an adjournment on the grounds that not enough information had been supplied about the new directors. But that move was defeated following a vote.

Shareholders and directors were equally bewildered by the legal technicalities of Emerson's unprecedented proposals. "I think we're all breaking new ground on the legal side," Mr Christopher said in response to one shareholder's question.



THE COST of introducing a new model of London taxi depressed profits at Manganese Bronze, the cab manufacturer said yesterday. The group, which also makes a range of metal powders and components, said pre-tax profits of £1.4m for the six months to 31 January included an exceptional cost of £2.5m for introducing the TX1, to replace

the conventional model (above). The group made £4.1m in the same period a year ago. Jamie Borwick, the chief executive, said: "The launch of our new taxi was by far the biggest event in our recent history. The market reception has exceeded all our expectations and we are now producing the TX1 at a higher rate than we have ever made taxis before."

Ottakar float to net £6m paper profit for founder

By Nigel Cope
City Correspondent

OTTAKAR's, the chain of 47 bookstores, is planning a stock market flotation next month that will value the group at around £30m. The company is raising £20m via an institutional placing and plans to invest the funds in new stores openings.

The float will mean a paper profit of £6m for founder James Heneage, who started Ottakar's with a single store in Brighton 10 years ago. He owns 20 per cent of the company.

However, analysts speculated that Ottakar's might be snapped up by a trade buyer before it comes to market. Books etc was acquired by Borders, the US bookstore, for £40m last September just ahead of its stock market debut. Other US book-sellers, including Barnes & Noble, are still interested in entering the UK market and Ottakar's would make an easy digestible bite for a larger group.

However, Mr Heneage, Ottakar's founder said: "We have had no approaches in the last six months."

Ottakar's has grown quickly by concentrating on smaller towns rather than battling against Dillons and Waterstone's in the big cities. The company has identified 120 further locations where it believes its stores could be opened. It plans 15 new stores a year over the next two years.

Ottakar's recorded pre-tax profits of £1.2m on turnover of £23.7m last year. It is floating to enable its venture capital backers to realise part of their investment. Foreign & Colonial controls 70 per cent of the company.

Death of BSkyB chief set to prompt fresh shake-up at critical time

By Terry Macalister

British Sky Broadcasting faces further upheaval among its top management at a critical time for the satellite broadcaster following the sudden death of Nick Carrington, the group's chief financial officer.

The company, controlled by Rupert Murdoch, is in the middle of switching from analogue to digital broadcast technology

and hopes to launch a version of the new service within three months.

Mr Carrington, who was aged 47, died on Friday night after a short illness. He had only been in the top financial position since the turn of the year.

He took over from Richard Brooke who left in November quickly followed by BSkyB's chief executive and managing director, Sam Chisholm, plus

the deputy managing director, David Chance.

The official reason for the departures was that senior executives did not want the extra responsibility that would come from launching the latest phase of BSkyB development. But there were also reports of differences of opinion about the way forward.

More recently, there has been speculation that the BSkyB could lose Gerry Robinson, its chair-

man, because he holds the equivalent position at Granada, which has its own digital broadcasting interests.

Granada, which controls an 11 per cent stake in BSkyB, has been increasingly active with its partner, Carlton Communications, in British Digital Broadcasting.

Analysts said the latest upheaval at BSkyB comes at the worst possible time. Mr Carrington's death could create "a

vacuum at the executive level", warned Paul Richards, media analyst with Panmure Gordon. "He [Mr Carrington] was a key member of the management team and no replacement comes to mind."

A BSkyB spokesman said it was too early to say who would replace the financial director, who was working a second stint at the pay-TV broadcaster.

He had been deputy director

of finance from 1989 to 1991 but left to join Polygram before returning to BSkyB in 1995. Mark Booth, BSkyB's chief executive said Carrington's death was "a tragic loss". He said: "Nick had an incredible knowledge of BSkyB and was a strong presence during two key periods in the company's history. He will be missed very much by all of us."

BSkyB has traditionally built its support around sports pro-

grammes but increased competition has encouraged it to invest in made-for-television films.

It was a row between BSkyB and Carlton over the proposed acquisition of Premier football rights for digital channels that caused the conflict - and legal writs to fly - between the two.

Shares in BSkyB, which is 40 per cent owned by Mr Murdoch's News Corporation, rose 6.5p to 433p yesterday.

Mirror looks for new acquisitions to boost growth

MIRROR Group, the newspaper and television company, said yesterday it was interested in making bolt-on acquisitions to boost its growth, particularly in its magazines and exhibitions business.

"There is still plenty of room for seeking out possible acquisitions or disposals," John Allwood, the finance director, said after the company reported annual results. Mirror said underlying pre-tax profits rose 12 per cent to £92m, boosted by growth at its regional and national newspaper operations, in line with analysts' forecasts of £89-94m.

Although Mr Allwood said Mirror was interested in making further acquisitions, he added that the company also had strong organic growth prospects. He said the size of any acquisition would be limited by the company's gearing level of 89 per cent after last year's £300m acquisition of regional group Midland Independent Newspapers.

But the group declined to comment on reports that it plans to sell its 46 per cent stake in Newspaper Publishing, owner of *The Independent* and *Independent on Sunday*, to Independent Newspapers, the Irish media company that also has a 46 per cent stake.

David Montgomery, the chief executive, attributed the profit rise to strong results at *The Mirror* and *Midland Independent*, as well as increased trading

profits from its magazines and exhibitions operations, that enjoyed strong growth, with pre-tax operating profits rising 25 per cent to £5m for the year.

Mirror has increased investments in television and regional newspapers to reduce its reliance on national papers, and last week confirmed it was in talks with Independent Newspapers over its stake in Newspaper Publishing.

Mr Montgomery said the Mirror's continuing makeover had paid off by gaining market share against *The Sun*, the UK's biggest-selling daily, owned by Rupert Murdoch's News Corp.

He also predicted better-than-expected cost savings from its £300m acquisition of Midland Independent Newspapers. The group had initially expected cost savings of £5m for the first full year after the acquisition.

"The figures were in line with expectations," said Lorna Tilbian, an analyst at Panmure Gordon & Co. "It's a very cheap stock, we've got a fair value of 250p." Mirror said advertising revenue at its national newspapers rose 6 per cent in 1997 and its television operations - which include Live TV and six city stations - are "making good progress" towards breaking even.

Mirror Group's shares closed up 7p at 186p.

THE INVESTMENT COLUMN

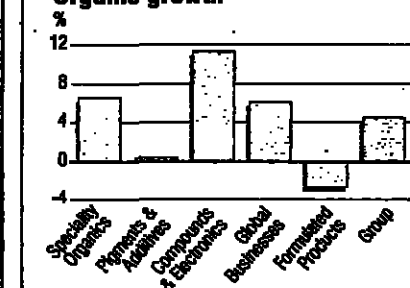
EDITED BY ANDREW YATES

Laporte: At a glance

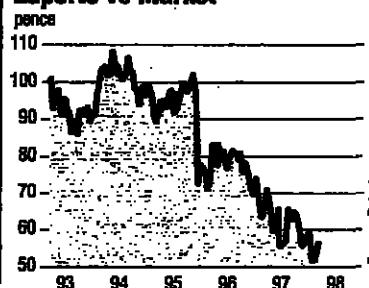
Market value: £1.4, share price 741p (-17.5p)

Five-year record	1993	1994	1995	1996	1997
Turnover (£m)	0.88	0.96	1.07	1.06	0.83
Pre-tax profits (£m)	0.07	0.09	0.12	0.11	0.09
Earnings per share (p)	41.4	46.1	48.2	46.8	38.6
Dividends per share (p)	20.7	22.4	23.0	24.3	25.8

Organic growth



Laporte vs Market



Exciting changes afoot at Laporte

PERHAPS it is telling that only three journalists turned up for the press conference at Laporte. It is regarded by many in the City as just another boring company in a bombed out chemicals sector that has felt the full impact of the strong pound. The recent takeover of rival Allied Colloids resulted in a brief flutter of bid interest across the sector, but the argument goes that the long-term prospects for an over-supplied industry are hardly inspiring.

Laporte's share price performance certainly tallies with this view. The company has underperformed the market and the sector dramatically over the last five years. But, despite first impressions, interesting things are afoot at Laporte, which should produce an exciting chemical reaction.

In his two years in charge Jim Leng, Laporte's chief executive, has led the group's renaissance by selling a third of the business, approaching half of its sites and shed 2,000 workers. These reforms helped underlying profits rise 12 per cent to £132m in 1997, and saw the group beat its target of 15 per cent margins and a 25 per cent return on capital employed.

Impressive figures, and Laporte has impressive ambitions: to double the sales at its speciality and chemicals and electronics divisions over the next five years, to raise margins to a heady 17.5 per cent and return on capital to 27.5 per cent.

To do it Laporte will have to prove it can concentrate on profitable niches within a tough sector now most of its restructuring programme is complete. For example, its business supplying the pharmaceutical industry is growing rapidly. And coloured concrete is going down a storm in California, aiding pigment sales. There are still some areas of concern. Although the group achieved organic growth of 5 per cent last year, the formulated products division is under-achieving. The slowdown in Asia may also have a knock-on effect on sales.

However, the positives outweigh the

negatives and, with a fair wind, Laporte's goals are in reach. The group's strong finances also give it the firepower to launch a sizeable acquisition of, say, £500m.

Laporte's stock rose 17.5p to 741p yesterday. Analysts forecast current year pre-tax profits rising to £139m, putting the shares on a prospective p/e ratio of 14. After a sharp rise in its price, Laporte looks less of a bargain than it did at the start of the year. However, there is still scope for further improvement. Good value.

IMI bashes out the goods for Pepsi

AT FIRST GLANCE it is not easy to see what Midlands metal basher, Gary Allen, has in common with the Spice Girls. But both are heavily involved with Pepsi. While the singers provide advertising jingles, Allen's IMI group produces drinks dispensers and good business it is too.

Out of IMI's 1997 sales of £1.43bn, 10 per cent now comes from Pepsi, Coca-Cola and McDonalds. Sustained demand from the US for the engineering company's products helped drive up sales by 12 per cent in 1997. Overall group profits before tax and exceptional items rose 7 per cent to £146.5m but the strong pound meant IMI missed out on a further £20m on the bottom line. IMI's basic pre-tax profits fell from £161.1m to £148.9m but the 1996 figure was distorted by £26m of exceptional gains.

In an attempt to counter the strong pound it put £7m worth of restructuring costs through last year and this will be repeated in 1998 as overheads are hacked back.

Out of IMI's four core areas: building products, drinks dispense, fluid power and special engineering, the latter has been taking the biggest knocks. IMI closed its Yorkshire Alloys subsidiary and further assets in this area are earmarked for disposal.

But IMI has also been protecting itself with acquisitions and says this strategy will be continued in the second

half of this year. The US and continental Europe are the more favoured regions at present.

Last year IMI beefed up its foreign presence, buying the Swiss-based industrial valve operations of Sulzer. It also bought plumbing products group, TA Hydraulics of Sweden, and Wilshire Corporation of the US.

It's remarkable to think back 20 years to when IMI was spun off from ICI. In those days 85 per cent of IMI's business came from the UK, now it is 30 per cent.

IMI is doing all the right things. Even with the home economy tipped to slow further, analysts expect IMI will make around £160m pre-tax profits this year.

That would put the company, whose shares rose 8.5p to 458p yesterday, on a multiple of 15 times in line with the sector. The stock is worth holding on to.

Hodder books a 24% rise in profits

HERE'S an ironic story. Thrusting chief executive of a publishing company leads campaign to break price-fixing in stuffy industry. Despite vociferous opposition his efforts succeed, and three years on industry experts estimate the move has expanded the market by as much as 11 per cent. However, the spoils go elsewhere, the company stumbles and is forced to issue a profit warning and, over the same three-year period, the company's shares lose a quarter of their value.

That's the story of Tim Hely-Hutchinson, chief executive of Hodder Headline, who is still trying to convince the City that the 1995 warning was just a blip. Yesterday's solid 1997 results, showing pre-tax profits rising 24 per cent to £8.2m on a 6 per cent rise in comparable sales, will have offered some reassurance.

Although the number of new titles published slipped slightly, operating margins widened by more than a percentage point to 9.2 per cent as Hodder improved what Mr Hely-Hutchinson calls the "batting average" - the amount of revenue Hodder can squeeze from each book.

Prospects are good, too. The autumn list, led by Edward Heath's memoirs and Will Carling's autobiography, looks strong. Mr Hely-Hutchinson is also upbeat about the proliferation of book retailers and internet booksellers, which he reckons are reinvigorating the market. However, educational publishing continues to suffer from schools' lack of funding while progress in the overseas operations is slow.

Of course, Hodder's fortunes are ultimately linked to the number of books people want to buy. But, as long as the company can continue to pick large sellers and avoid any cock-ups, it should prosper in what remains a growing market. Brokers yesterday edged up their profit forecasts for the current year to £8.9m putting the shares, up 14p to 239p, on a forward earnings multiple of 14. Worth a look.

Liffe to develop electronic screen trading system

The London International Financial Futures Exchange (Liffe), is to develop an electronic trading system by autumn next year and plans to review its decision to relocate in Spitalfields, east London. The move to screen trading, which will operate in parallel with Liffe's traditional "open outcry" system, follows criticism of the exchange's perceived reluctance to embrace electronic systems. A Liffe spokesperson said the decision to introduce electronic trading was the "main reason" behind the review of its proposed relocation to Spitalfields.

Lloyds to sell estate agency

Lloyds TSB, the UK bank, is in "exclusive talks" with Bradford & Bingley building society over the sale of its estate agency chain, Black Horse Agencies. B&B expects the negotiations to be concluded within a month. Black Horse Agencies comprises 370 outlets, employs 3,300 and has net assets of around £35m.

Close Bros interims rise

Close Brothers, one of the few remaining independent UK merchant banks, has been upgraded by brokers following a stronger-than-expected set of half-year profit figures. The bank earned pre-tax profits of £37m in the six months to January, up from £28m last year. Rod Kent, Close Bros' managing director, said he was "happy" with the bank's independent status, although he added "that is not to say if somebody approached us with a deal we wouldn't consider it".

Regulation plans postponed

The Government's Green Paper on utility regulation has been postponed until after next week's Budget. The Department of Trade and Industry planned to publish the consultative document early this month but has clashed with the Treasury in a number of areas, notably over proposals to tax excess profits in the privatised gas, electricity, water and telecoms industries.

Racal wins £85m radar deal

Racal has landed an £85m order to help develop a new battle-field radar system as part of an international defence consortium. The Cobra system, designed to locate, track and counter enemy artillery fire, will enter service in 2001.

COMPANY RESULTS

	Turnover £	Pre-tax £	EPS	Dividend
British Dressing (F)	44.5m (42.0m)	2.82m (2.14m)	11.1p (12.40p)	6.5p (5.9p)
British Vins (F)	808.4m (895.8m)	66.2m (57.2m)	19.8p (16.8p)	8.75p (8.25p)
Broadcom (F)	- (F)	2.03m (1.71m)	3.69p (3.55p)	2.0p
Capenhurst Regional Prop (F)	- (F)	11.1m (6.1m)	15.8p (12.2p)	3.5p (3.0p)
China Bros (F)	- (F)	36.7m (28.2m)	15.9p (12.3p)	4.3p (3.8p)
CNR (F)	308.0m (425.2m)	38.6m (27.5m)	38.5p (27.4p)	7.8p (6.0p)
Exponent (F)	110.8m (115.7m)	9.7m (16.1m)	10.41p (18.9p)	3.85p (3.3p)
Hall Engineering (F)	210.0m (230.5m)	18.2m (13.04m)	28.8p (20.58p)	10.4p (10.0p)
Hodder Headline (F)	93.2m (82.8m)	8.2m (6.8m)	15.9p (13.3p)	7.2p (6.5p)
Laporte (F)	830.2m (1,090m)	132.2m (127.0m)	48.5p (46.9p)	25.8p (24.3p)
Lightfoot Group (F)**	183.8m (174.0m)	-12.28m (2.84m)	-11.5p (1.4p)	
Malvern (F)	15.21m (11.20m)	3.25m (1.63m)	16.12p (7.68p)	4.4p (3.8p)
Manganese Bronze (F)	47.20m (49.12m)	1.4m (4.10m)	5.27p (17.32p)	4.0p (3.5p)
Marylebone Warwick (F)	29.23m (6.79m)	4.11m (1.17m)	6.5p (1.9p)	1.25p (nil)
Mirror Group (F)	598.0m (638.0m)	80.0m (101.8m)	13.5p (18.8p)	4.0p (4.5p)
Paragon Holdings (F)	24.60m (19.21m)	0.961m (0.982m)	3.1p (3.1p)	1.3p
Pendragon (F)	770.0m (581.0m)	15.1m (12.6m)	21.2p (19.3p)	10.7
Pendragon (F)	526.5m (451.2m)	50.45m (33.98m)	21.3p (15.2p)	10.0p
Polyplex (F)	118.8m (93.1m)	12.0m (11.2m)	4.8p (4.65p)	1.03p (0.92p)
Regal Hotel (F)	101.8m (88.3m)	17.40m (16.43m)	5.17p (4.88p)	1.25p (1.0p)
Reynolds (F)	66.3m (64.8m)	9.81m (7.02m)	31.0p (21.5p)	14.5p (10.0p)
Tay House (F)	50.18m (50.81m)	1.78m (4.17m)	4.0p (3.0p)	1.8p (1.7p)
Vynners (F)	40.95m (43.76m)	5.12m (4.40m)	14.2p (11.9p)	5.4p (5.0p)
Windsor Group (F)	27.2m (15.4m)	6.13m (4.12m)	10.9p (8.1p)	2.5p (2.0p)
World Television (F)	0.3m (4.31m)	-2.81m (-0.347m)	-14.1p (-2.8p)	nil

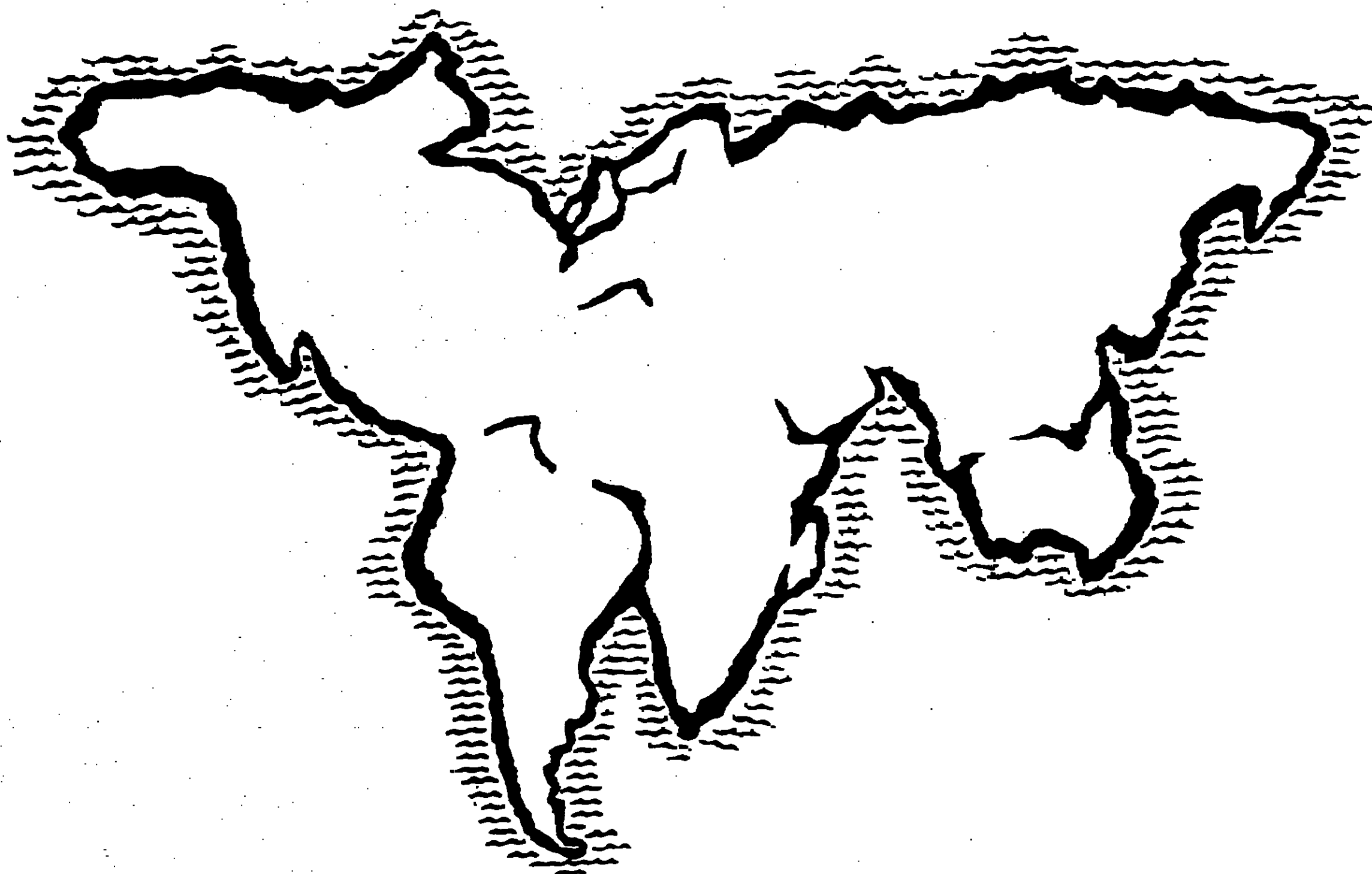
(F) - Final (I) - Interim * Current profits, EPS & pre-exceptionals ** Previous 12 months

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Compass and Misys bid for Footsie membership

MARKET REPORT



DEREK PAIN

COMPASS, the contract caterer, and Misys, the computer group, are neck and neck in a battle for membership of the exclusive Footsie club.

As the stock market closed Misys, with a 5p gain to 2,682.5p, managed to open up a marginal lead with Compass off 2p at 915p. One, possibly both, will join the blue-chip index. In third spot but unlikely to force its way into contention is Northern Rock, the mortgage bank, little changed at 616p.

The catering/computing battle is too close to call. Today's closing prices provide the basis for the crucial calculations which will be presented to the Footsie steering committee when it meets tomorrow.

Compass and Misys have enjoyed remarkable runs. The catering group, which has expanded aggressively through acquisitions, has been as low as 582.5p. The shares have moved ahead strongly this

year, drawing some support from rumours of a takeover bid from Rentokil Initial, but are 13p below their peak. Misys shares have climbed from a 1,111.5p low and are 65p below their high.

Dixons, the electrical retailer which has blown a fuse since it became apparent festive sales would disappoint, will almost certainly be relegated. From 720p in November the shares are bumping along at a 12 month low of 512p.

It is now valued at £2.2bn with Compass and Misys both above £2.9bn. Rank, the leisure group little changed at 332p, is another possible casualty.

Footsie, and the supporting indices, are important investment indicators for many funds. Some tracker funds invest only in Footsie constituents; others use the supporting FTSE 250 index as their cut-off point.

Consequently, membership, even of the midcap index,

can have a significant impact on a share.

For example, on Friday Micro Focus arrived in the midcap index, replacing T&N, the engineer taken over by Federal-Mogul of the US. Micro Focus was up 40p on Friday and managed a 37.5p gain to 3,570p yesterday.

IT shares, including Micro Focus and Misys, have scored from the introduction of an index covering the computer sector which was launched at the start of the year.

Footsie ended just a whisker below its peak, climbing 36 points to 5,818.9 in what was a rather featureless session. Supporting shares also made headway with the small-cap index breaking through 2,500 points for the first time.

BTR, once a conglomerate now an engineer, continued its revival, gaining 20p to 210p and topping the blue chip leader board. Williams, another to see the now unglamorous conglomerate pack and move into

the security and fire alarms bracket, also gained 20p, reaching 388p. Figures are due today. Profits could approach £290m against £248m. But some of the gain was due to speculation it could accompany the results with the sale of its Nu-Tone US building materials business for £140m.

Reed and Pearson offered contrasting media displays.

Pearson jumped 49p to 992p in further response to Friday's sale of the troublesome Mindscape business. Since the disposal the shares have risen 73p. Deutsche Morgan Grenfell announced a 1,130p target.

Read International numbered 57p to 62p after the planned £17.5bn merger with Dutch publisher Wolters Kluwer was called off.

Financials had a relatively quiet session although Legal & General, the insurer, jumped 32p to 697p as takeover rumours returned. Halifax, which has barged into the Birmingham Midlands takeover with a £780m offer, fell 12p to 925p. The BM building society has agreed a £630m bid from the Royal Bank of Scotland.

Close Brothers, the merchant bank, rose 45p to 726.5p. Interim figures impressed but there is also a sneaking suspicion the group will soon be the subject of a takeover strike. Norwich Union, figures to-

day, overcame an early 14p fall to close 17p (after 32p) higher at 515p.

British Energy surged 23p to 454p after forecasting its profits would be "at least" £160m and not the £125m the market expected. The higher-than-expected profits are due to the way fuel prices have held up at a time costs have been kept under control.

Asda jumped 8.5p to 197p on speculation the Sainsbury bid will come from J Sainsbury. Sainsbury rose 4p to 378.5p; Sainsbury's gained 10p to 480p.

Drugs group Skypharma, figures on Thursday, gained 7p to 80p following positive comments from SBC Warburg.

Builder Tilbury Douglas added 10p to 235p following a £15m water contract. Figures are due on Thursday and around £22.5m is expected against £19m.

On Oxf, Advance Digital Communications climbed to 29.5p from its 20p placing price.

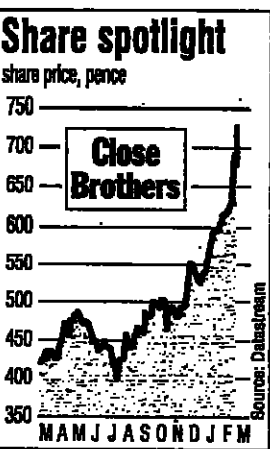
TAKING STOCK

PolyDoc, an information management company with share presence's on AIM and in Amsterdam, is having a remarkable run. Up 50p on Friday the shares climbed a further 37.5p to 232.5p. Year's figures are due soon and there are hopes the group will produce a maiden profit.

Sell chemical group Hickson International, suggests Sutherland, the stockbroker. Analysts Martin Evans and Catherine Haynes say: "Off skid row but still in the clinic. Hickson is only in early recovery." The shares are 85p.

Food group John Lasty rose 1.5p, equalling its 11.25p year's high. It has launched a breakfast cereal which is said to have been well received. Teather & Greenwood expect profits of £1.9m (£753,000).

Abacus Polar, an electrical component distributor, rose 10p to 136.5p after forging an alliance with a German group. The two will have a £290m turnover.



Share Price Data

Prices are in sterling except where stated. The yield is the latest twelve months' declared gross dividend as a percentage of the share price. The price/earnings (P/E) ratio is the share price divided by last year's earnings per share, excluding extraordinary items but including exceptional items. Other details: Ex rights = ex-dividend, a break; a superscript P refers to the P/E ratio. Source: Bloomberg

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(75 p.p. London E2A 4P).

Share prices: 733.5m trades 76.62

Market Leaders: Top 20 volumes

FTSE 100 index hour by hour

Open: 5762.3 Down 5.2

High: 5771.7 Down 5.2

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How Brown's Budget could muck up Britain's economic experiment



HAMISH MCRAE
ON WHY DEMAND IS NOT A WORRY

BRITISH Budgets are not nearly as important as they are billed to be, but the one next Tuesday will be more important than most. It will be Gordon Brown's chance to muck things up.

The Budget last year was introduced when we were already three months into the financial year and was inevitably limited in the scope of the changes that could be made. It would have been difficult to have done anything that would have been seriously damaging to the economy, or indeed materially helpful to it. The budget deficit was narrowing in a satisfactory way, the economy was growing at a decent clip, unemployment was falling, there was very little inflation and the current account was in modest surplus. Not since the before the First World War has a new chancellor inherited such an evidently agreeable combination.

Now the picture is slightly different. The deficit is still narrowing, actually a little faster than before thanks to some modest tax increases and slightly faster-than-expected growth. Growth is still solid, unemployment still falling, inflation still under control - only the current account seems to be heading sharply into deficit.

So, over the last nine months, while the Chancellor has been pondering what he should be doing to make his mark on the job, most of the numbers have

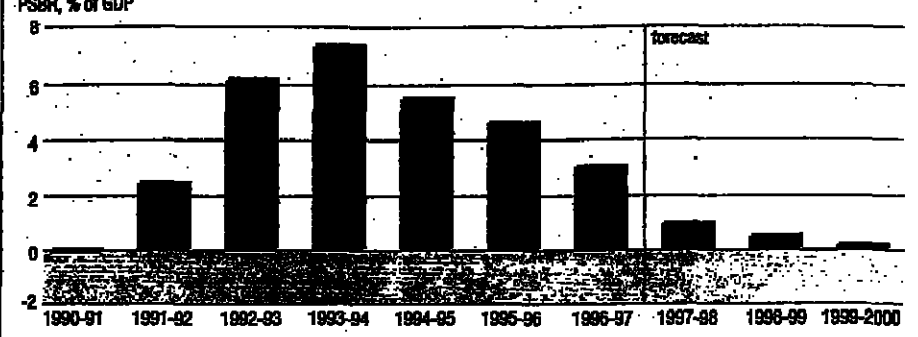
been improving. Borrowing is so low as to be almost non-existent. The top graph shows the way this has been falling, but the forecast there may be overly pessimistic. It is possible that on present trends - the government accounts will show a surplus in the financial year starting this April. That is thanks to the virtuous circle which occurs when there is decent economic growth: the growth increases tax revenues while cutting demand for government spending, for example on unemployment benefit - see bottom graph.

So the number one concern of any chancellor - are the books balanced? - is not an issue. Number two concern is the state of the economy. Here the warning bell from the current account does show that we are close to the present limits of capacity utilisation. The warning bell might have come from inflation but it hasn't, partly because of the strength of sterling, which holds down import prices and puts pressure on exporters to hold down their costs, but mostly because of the change in culture which has taken place in wage bargaining. Inflation everywhere - in economies which are close to capacity and those which have lots to spare - remains very low.

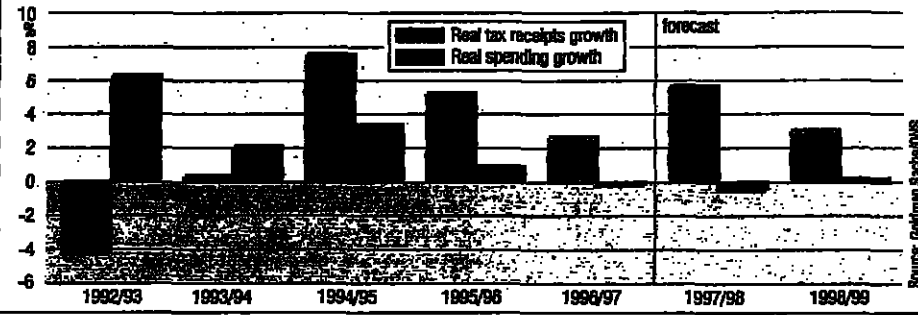
So how worried should Mr Brown be about excessive demand? I am sure he will be seriously concerned for one simple reason. Ignoring the similar dangers signals was the key mistake made by Nigel Lawson in the late 1980s. I am not sure, however, that he needs to be so worried for two simple reasons. One is that he cannot do anything about it. The other is that he doesn't need to.

He cannot do anything about excessive demand because the sort of level of fiscal tightening needed to make any material impact on demand is so enormous as to be not worth contemplating. Changes in interest rates and other factors affecting consumer confidence are vastly more important than the odd few billion of changes in the government's taxing and

The government borrows less...



...thanks to higher revenue and the squeeze on spending



spending. And he does not need to do anything to check demand because either it will taper down of its own accord, or interest rates will whack up to such an extent that they will knock the boom on the head.

But if there is no problem on the accounting side and nothing much that can be done on the macroeconomic side, why did I start this column by saying that this is Mr Brown's opportunity to muck things up?

Because Britain has become an economic experiment, a forerunner of what more and more developed economies will tend to become during the next 25 years. Our macroeconomic position is boring, satisfactory, but boring none the less. Our microeconomic position is very interesting indeed.

Unusually, and in an unplanned way, we have concentrated the main weight of our economy in a small number of sectors. These include international finance (of course), telecommunications and media, a cluster of hi-tech industries including defence and pharma-

ceuticals, and a few "brand-name" consumer industries. There is, in addition, still a significant conventional manufacturing business, but that is not large by international standards.

No one decided 10 or 20 years ago that we would sell the entire British motor industry to foreign interests. No one decided that we would create enormous pharmaceutical companies or sell virtually all our merchant banks to foreign banks. On the other hand, no one also decided that we would establish as large a venture capital industry as the whole of the rest of Europe combined. All these changes have been in response to market signals, which rightly or wrongly, we have accepted.

Question: will the myriad, detail changes in the Budget - and this is Mr Brown's main shot at these - allow and encourage these market signals to continue to shape our economy? Or will they start to lean towards command and control?

The worry of the more thoughtful people in the busi-

ness community is not that the Chancellor will make some specific mistake in macroeconomic management. Rather, it is that he will make lots of small mistakes because he came to office with a rigid blueprint and hasn't a flexible enough mind to realise that this needs to be changed.

For example, the Individual Savings Accounts plan outlined at the end of last year is fine in principle but as presently constituted a clear disaster: cumbersome, expensive to administer, unfair. Will he change it? Is he aware that the only net creators of new jobs in the country are very small firms? Will, in practice, he make tax changes which tilt the balance of advantage against small companies and in favour of large?

In his (perfectly proper) zeal to close tax loopholes, will he simply encourage people to move even more of their activities offshore? Will he allow profitable businesses like our fine art salerooms to be damaged by EU-imposed VAT levies? And so on.

The devil, this Budget, will lie in the detail. Fingers crossed.

PEOPLE & BUSINESS

JOHN WILLCOCK



JON MOYNIHAN, who resigned as chairman and chief executive of PA Consulting last August, has just un-resigned.

In fact, despite headhunters being appointed to find his successor, Mr Moynihnan never left office.

Let me explain. Mr Moynihnan was at loggerheads with the Batten Trust, set up by PA's founder Ernest Batten, over the share of profits allocated to former employees of PA. Mr Moynihnan felt current employees weren't getting a big enough slice of the action.

Or, as Mr Moynihnan put it yesterday, speaking from New York: "The matter over which I resigned got resolved just before Christmas in a way which I wanted it to be resolved."

Before the settlement, the Trust owned about 70 per cent of the "on-going value" of PA. Following the settlement, the Trust now owns some preference shares, which will provide income, and a "golden share" which will come into play if PA is ever sold. Apart from that, the current employees now call the tune.

"Following this discussion with the board (of the Trust), we decided I should stay," adds Mr Moynihnan.

Even the headhunter's fee has not gone to waste. The person who came top of the list as Mr Moynihnan's successor has metamorphosed into the next chief executive of PA. Mr Moynihnan will stay on as executive chairman, but believes the fast-growing firm needs a chief executive as well. Expect an announcement soon.

WORKS by Picasso, Warhol and many other artists will be on display at law firm Collyer-Bristow's gallery in Holborn, London, and every single one will be a fake.

The exhibition, imaginatively titled "Fake", kicks off appropriately enough on 1 April, and is designed to raise awareness of the threat posed by counterfeiters the world over to British business.

The exhibition is the brainchild of Christopher Rennie-Smith, intellectual property partner at Collyer-Bristow. It will feature fakes

of branded goods such as Nike shoes, Chanel No 5, Johnny Walker whisky and Pepsi.

The law firm is part of the Anti-Counterfeiting Group, which lobbies government on behalf of companies which own threatened brands or intellectual property.

Collyer-Bristow originally started holding exhibitions at their offices because they represented so many artistic clients. Now they have formalised the process, and even have a part-time curator, Tamar Arnon, who puts together a new show every six to eight weeks.

ARTHUR ANDERSEN may be making a hash of things in its relationship with its Andersen Consulting colleagues, but the firm can still hire good people.

Andersen has just taken on Carol Arrow-smith, a big noise in the world of employee share schemes and the like, as a partner in the firm's broadly based Human Capital Services team.

Ms Arrowsmith joined New Bridge Street Consultants, an advisory firm linked to lawyers Clifford Chance, as a director in 1986, and took over as managing director in 1990. She is also a director of ProShare, the organisation promoting share-based investment.

She will be working with Brian Friedman, world-wide head of Andersen's Human Capital Services practice, and himself a recent hire from Stoy Hayward, the accountancy firm.

Mr Friedman welcomed Ms Arrowsmith to the practice, saying: "We are already a multi-disciplinary group with lawyers, actuaries, compensation and benefits specialists, taxation and change management experts offering a wide range of professional advice..."

Great. Not a boring old accountant in sight...

UBS continues to shed staff like a tree shedding apples in an autumn gale. Among those not going to merge with SBC Warburg are Patrick Kirby and Sue Cox, a media and a smaller companies analyst respectively, who have joined ABN Amro. And UBS's former head of European Equity research since 1994, Mark Howdle, has joined Salomon Smith Barney as director of Pan-European Strategy.

Not surprising, really, when you consider that SBC has taken 67 out of the 85 top jobs in merged equities division of UBS and Warburg Dillon Reed.

Another shotgun merger, that between CSFB and BZW, has provided ABN Amro with another recruit, Garbiella Sexton, who joins the Dutch investment bank as European Equity Editor.

In fact, apart from ING, which seems to be reconsidering its investment in Barings, the Dutch are providing the best refuge for newly down-shifted bankers at the moment. Rabobank is reportedly seeking to recruit 700 capital markets people.

There again, First Chicago NBD has also taken someone on this week, in the form of Dr Giorgio Radaelli from Lehman Brothers. Dr Radaelli will bring a decade of experience as a market economist to First Chicago in London.

Foreign Exchange Rates

Country	Spot	1 month	3 months
UK	100.00		
Australia	2.4528	2.4484	2.4488
Canada	2.1054	2.1055	2.1056
Denmark	8.1126	8.1126	8.1126
France	6.5591	6.5591	6.5591
Germany	1.9363	1.9363	1.9363
Greece	4.2250	4.2250	4.2250
Hong Kong	7.7560	7.7560	7.7560
India	46.4200	46.4200	46.4200
Italy	2.0433	2.0433	2.0433
Japan	163.91	163.91	163.91
Malaysia	3.8000	3.8000	3.8000
Netherlands	1.9363	1.9363	1.9363
New Zealand	3.3730	3.3730	3.3730
Norway	4.7560	4.7560	4.7560
Portugal	2.0433	2.0433	2.0433
Saudi Arabia	3.6700	3.6700	3.6700
Singapore	2.0433	2.0433	2.0433
South Africa	6.5591	6.5591	6.5591
Spain	166.36	166.36	166.36
Sweden	10.4600	10.4600	10.4600
Switzerland	1.9363	1.9363	1.9363
US	1.5327		

Interest Rates

UK	Germany	US	Japan
Base	2.50%	5.50%	5.50%
Discount	2.50%	5.50%	5.50%
Intervention	3.00%	5.50%	5.50%
Repo	5.00%	5.50%	5.50%
Swap	3.00%	5.50%	5.50%

Money Market Rates

as	725%	Germany	250%
ance		Discount	450%
ention	530%	Lombard	
ount	550%	Prime	850%
therlands		Discount	500%
Advance	330%	Discount	

Bond Yields					
Country	3-mth	chg	1-yr	chg	2-yr
Australia	4.92	-0.01	4.98	0.00	4.97
Belgium	8.80	0.00	9.73	0.01	4.97
Canada	4.80	-0.05	4.99	-0.06	4.85
EU	4.91	0.00	4.20	-0.01	4.23
France	0.00	0.00	3.48	0.00	3.85
Germany	9.83	0.00	1.75	0.00	3.85
Italy	5.77	-0.10	4.98	-0.06	4.85
Japan	0.48	-0.01	0.48	-0.03	0.50
Spain	0.45	-0.01	3.75	0.00	4.05
Sweden	5.85	0.00	4.50	-0.04	4.50
Switzerland	4.57	0.00	4.65	-0.04	4.85
UK	1.31	0.04	1.61	0.06	1.69
US	7.03	0.00	7.52	-0.05	8.06
West Germany	5.01	0.00	5.08	-0.01	5.55

Commodity Indices

Index	Value	Change
Oil	22.50	+0.10
Gold	380.00	+5.00
Silver	16.50	+0.10
Copper	1.50	+0.05
Aluminum	0.80	+0.02

Industrial Metals

Commodity	Value	Change
Aluminum	0.80	+0.02
Copper	1.50	+0.05
Gold	380.00	+5.00
Iron Ore	10.00	+0.10
Nickel	0.50	+0.02

Other Spot Rates

Country	Spot	1 month	3 months
Argentina	1.00		
Brazil	1.00		
China	1.00		
India	1.00		
Japan	1.00		

Latest Unit Trust Prices

Unit Trust	Price	Change
Global Growth	1.00	+0.01
Global Income	1.00	+0.01
Global Bond	1.00	+0.01
Global Equity	1.00	+0.01
Global Fixed	1.00	+0.01

Other Softs

Commodity	Value	Change
Wheat	1.00	+0.01
Corn	1.00	+0.01
Soybeans	1.00	+0.01
Cotton	1.00	+0.01
Wool	1.00	+0.01

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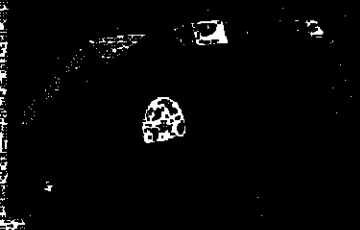
Leeds deny foul on use of reserves

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Protest fails to overturn Hakkinen's victory

Motor racing

By Derick Allison

MIKA HAKKINEN'S victory in the Australian Grand Prix on Sunday will stand - though the "pre-arranged" finish with his McLaren-Mercedes team-mate, David Coulthard, which let him in for victory, may be outlawed later this month.

The FIA, Formula One's governing body, turned down a protest from the Australian organisers yesterday, but said the practice of a gentleman's agreement could be banned when the

World Motor Council meets on 18 March.

"Team orders specifying the finishing order of drivers within a team have existed in motor sport since the beginning of the century," the FIA said in a statement. "It would therefore not be right to criticise or sanction McLaren for what it did."

The real problem, though, is that Ron Dennis, the managing director of McLaren, must know that he has it with in his power to make or break the Formula One world championship as a viable contest.

First races can be misleading.

because not all the teams, even bigger ones, are totally prepared. Conventional wisdom maintains that the championship proper begins when they arrive in Europe for the fourth round, the San Marino Grand Prix.

This year, however, it appears improbable that any team will be able to make sufficient progress to threaten McLaren's obvious superiority. They lapped the rest without extending themselves in Melbourne, raising the prospect of a whitewash that eluded them by just one race out of 16 in 1988.

The redeeming feature of

that year was the magnificent duel by the McLaren drivers Ayrton Senna and Alain Prost, the former eventually shading it eight wins to seven. Formula One now turns to Coulthard and Hakkinen to save this year.

Team arrangements are nothing new in motor racing and McLaren were involved in controversy at the final race of last season when Williams' Jacques Villeneuve, assured of the title, allowed Hakkinen and Coulthard to pass him in the closing stages.

At Melbourne the co-operation was purely inhouse.

McLaren were confident they had a performance advantage over their opponents, but were uncertain of their reliability and so accommodated their drivers' agreement that whoever made it to the first corner in front would be granted victory.

Formula One is a team game and that made sound team sense, but it is also a public spectacle for which trackside customers and television companies around the world pay substantial sums.

Coulthard's extravagant gesture in slowing down for Hakkinen, who found himself trailing after a mix-up over a pitstop,

two laps from the end of the race, understandably irked the huge crowd and the organisers. FIA may not welcome Coulthard's words in anticipation of a comfortable victory at the next race in Brazil.

"I am expecting to be repaid. I could have won the opening race, but hopefully we will put this to bed after the next race and carry on from there," he said. "After two races we should be on an even keel, so there won't be a points disadvantage."

Dennis contends his no risk policy is justified for another race, but maybe persuaded otherwise.

At the very least, he is likely to make sure any "arrangement" is not as blatant.

During the build-up to the season Dennis talked of his relishing the prospect of having two drivers battling for the title, as with Senna and Prost, and with Prost and Niki Lauda at McLaren in the mid Eighties.

Some teams defend control of their drivers on the grounds that rivalry can become overheated, as it did between Senna and Prost, or self-destructive, as between the Williams pair, Nigel Mansell and Nelson Piquet, in 1986.

And yet this has to be seen to be a race, otherwise it has no credibility and ultimately will have no appeal. After all, Mansell's overtaking manoeuvre against Piquet in the 1986 British Grand Prix remains one of Formula One's most thrilling moments.

Coulthard and Hakkinen are well matched and capable of giving us a similarly compelling championship this year that would over McLaren and Formula One in glory.

Bookmakers make betting changes, page 26

Woodward will drop tour rebels

Rugby Union

By Chris Hewett

ENGLAND'S professional clubs look certain to lose the political battle over this summer's four-Test tour of the southern hemisphere, but they remain confident of winning their wider war with Twickenham. Clive Woodward, the England coach, will take a full-strength party to Australia, New Zealand and South Africa whether the mutinous power-brokers of the Premiership like it or not, but the Rugby Football Union face huge problems in their attempt to secure contractual control over the red rose elite.

As the ramifications of Northampton's decision to bar their international contingent from all summer tours continued to reverberate yesterday, an emotional but unrepentant Woodward wrapped himself in the Union flag and justified the stand that threatens three leading Saints - Paul Grayson, Tim Rodber and Matt Dawson - with Five Nations oblivion.

"I'm not a bully. I haven't cajoled anyone into doing anything and I'm certainly not in the business of forcing players to choose between club and country," he said. "I'm simply saying that I will not countenance a third party, Northampton in this case, telling me who I can and can't pick for England. I can't do the job if that is going to be the case."

"No one at the RFU tells me how to run this team and I sure as hell have no intention of being held to ransom by the club owners. All I'm interested in is

building a side capable of winning the World Cup next year and at the moment it feels like a knife is being put through our dreams."

"Of course I feel for the Northampton guys, but if they can't make themselves available for this tour they will not play against Scotland on Saturday week. That goes for everyone else, too."

Those words effectively torpedoed the Northampton initiative and there were signals last night that Keith Barwell, the Saints owner, was considering a climb-down.

Woodward, who has forged a close and mutually supportive relationship with "Club England" players since taking over as coach last autumn, was backed to the hilt by Jeremy Guscott, still the most glittering jewel in the England crown and one of only two players present at Twickenham yesterday. "Players love playing for their clubs, but ultimately they want to play for their country," he agreed. "I'm available to tour - I'm determined to retain the right to play for England as and when I and the selectors wish - and as far as I'm aware, every other member of the squad feels likewise."

However, there was a sting in the Bath centre's tail and it sent a highly toxic message in the direction of those RFU big-shots, Cliff Brittle and Fran Cotton included, who believe the only way to bring the clubs to heel is to sign up dozens of leading players on union contracts.

"I'm still very loyal indeed to my club which, unlike the RFU, has done a lot for the players," Guscott said. "The clubs have delivered everything they promised

us and, in all honesty, I can't say the same for the union. There is no way the England players can turn their backs on the clubs and sign with the RFU; they would be crazy to do so, because it would be like turkeys voting for Christmas. I hope all my colleagues stay contracted to their clubs because if they don't, they will forfeit the control they have over their own futures."

Cotton, last summer's victorious Lions manager and now the influential vice-chairman of the RFU management board, continued to play hardball by saying there was "no possible dialogue on the subject of player availability" for the close-season tour.

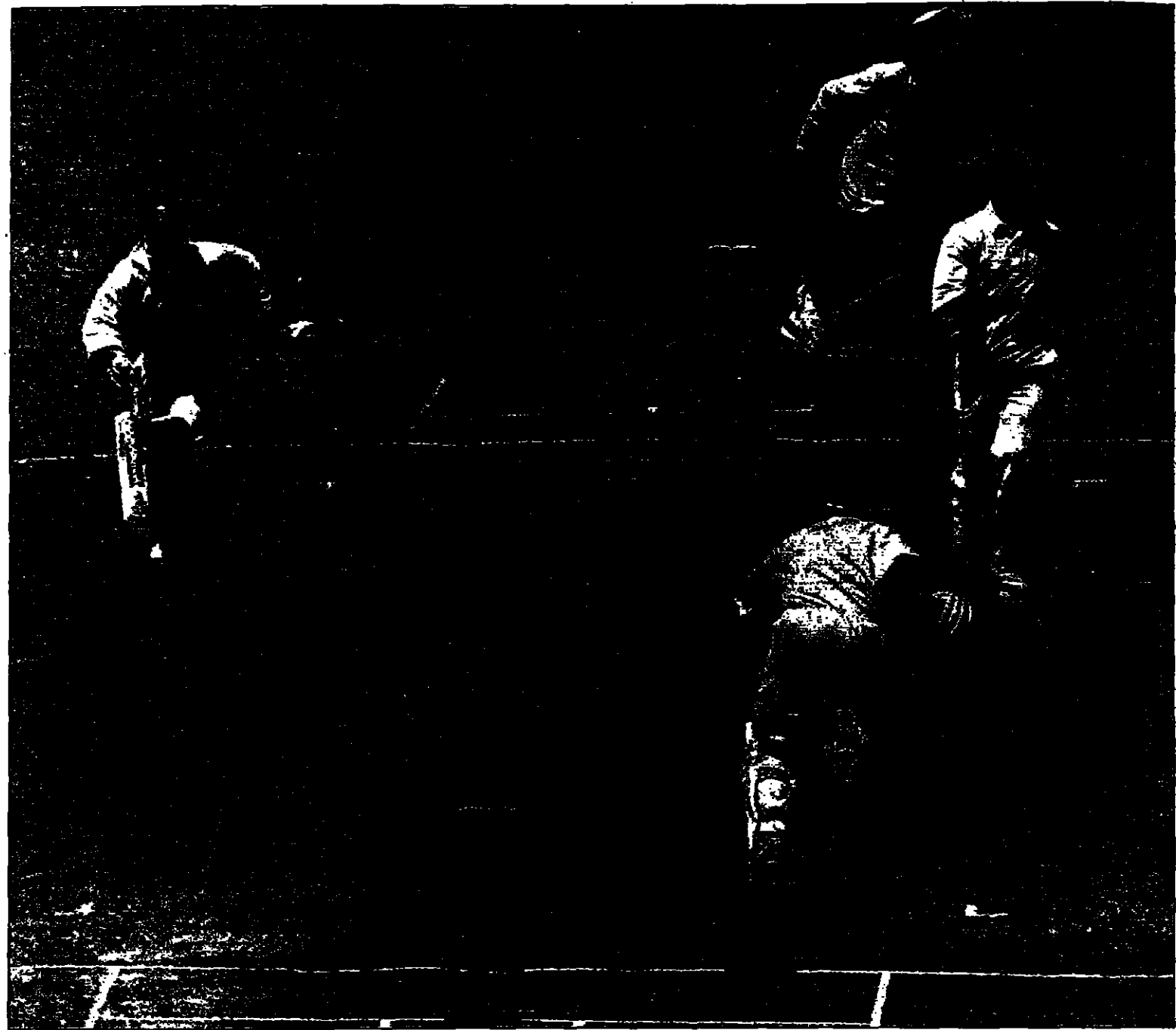
"Every player declared his availability when he signed his England contract and, as far as I'm concerned, the day these players decide not to play for their country is the day the game dies," he said.

Both Cotton and Brittle, the RFU chairman, denied making any contractual approach to Lawrence Dallaglio, the England captain. They did, however, admit that discussions had taken place with representatives of Gary Connolly, the Wigan rugby league centre.

The Australians have made their position clear by calling on the IB, rugby's world governing body, to enforce the clause in their charter demanding that countries send their strongest possible sides on Test tours.

Woodward will this week ask each of his players to confirm their availability, and he will then select his side for the Calcutta Cup match at Murrayfield on Sunday week. Ireland unchanged, page 24

Runs in the sun as England warm up



England's Mark Ramprakash (top) and Graham Thorpe rack up the runs against the bowling of Winston Reid yesterday in the tour match against Barbados at the Kensington Oval in Bridgetown, where the fifth Test starts on Thursday. Report, Henry Blofeld, Page 27; Photograph: David Ashdown

Francis withdraws his resignation

Football

TREVOR FRANCIS has withdrawn his resignation as manager of Birmingham City.

Francis quit St Andrew's on Saturday evening after his son, Matthew, was verbally abused by a section of supporters during the 1-0 First Division win over Queens' Park Rangers. Yesterday, though, Francis said that the "overwhelming and magnificent" support of the club's fans was instrumental in persuading him to reverse his decision.

Francis held talks in Oxfordshire with Birmingham's chairman, David Gold, on Sunday and said: "I have been given certain assurances that things will change in the future. I have been quite overwhelmed by the reaction of the fans and their support has been a large factor in my decision."

Steve Thompson, the former Lincoln and Southend manager who stepped in as caretaker when Nigel Spackman resigned as Sheffield United manager last week, will remain in charge at Bramall Lane until the end of the season. The Blades have also appointed the director Kevin McCabe as acting chairman to the end of the season.

Everton have signed the Scottish international striker John Spencer on a month's loan from Queens' Park Rangers. The Burnley goalkeeper Marlon Beresford has joined Middlesbrough for £400,000.

The Leeds manager, George Graham, will study video evidence of the head-butting incident involving his striker Jimmy Floyd Hasselbaink and the Wolves defender Keith Curle during Saturday's FA Cup quarter-final before deciding whether to punish the Dutch striker. Hasselbaink was

confronted by a taunting Curle after missing a penalty he had won. Graham said: "I have not seen the incident yet but if it is proved it was a head-butt I will take action."

Wolves' semi-final against Arsenal or West Ham will be played at Villa Park on 5 April. The other tie that day, Newcastle against Coventry or Sheffield United, will be staged at Old Trafford.

Bradford City and Bury have been fined £25,000 each, with £20,000 suspended until the end of the 1998-99 season, following a brawl between the two teams in December.

Darren Bernard has been called up by Wales - even though the defender was born in Germany and is a former England Schools international. The Barnsley wing-back has been picked for the friendly against Jamaica at Ninian Park, Cardiff, on 25 March.

Klinsmann paints picture of Spurs disarray

THE Tottenham Hotspur striker Jürgen Klinsmann has said that he was representing the views of other players when he had his much-publicised argument with the White Hart Lane club's coach, Christian Gross, last week.

Speaking in an interview with the German magazine *Kicker*, Klinsmann said his

dispute with Gross came after other Tottenham players had asked him to intervene.

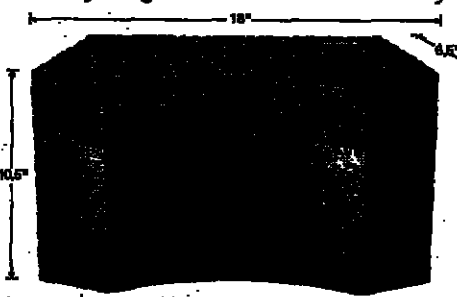
"When I was expected by all sides to take responsibility in the fight against relegation," the German international captain said. "I did that after seeing that many things here are in a mess and don't function. There was

a lot of tension between the players and the coach. I tried repeatedly to be the diplomat and to close the gap. But for weeks nothing happened, there was no reaction."

Klinsmann, who has said he is leaving Spurs when his contract expires in the summer, rowed with Gross over tactics and team selection last week.

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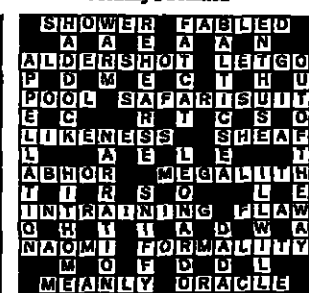
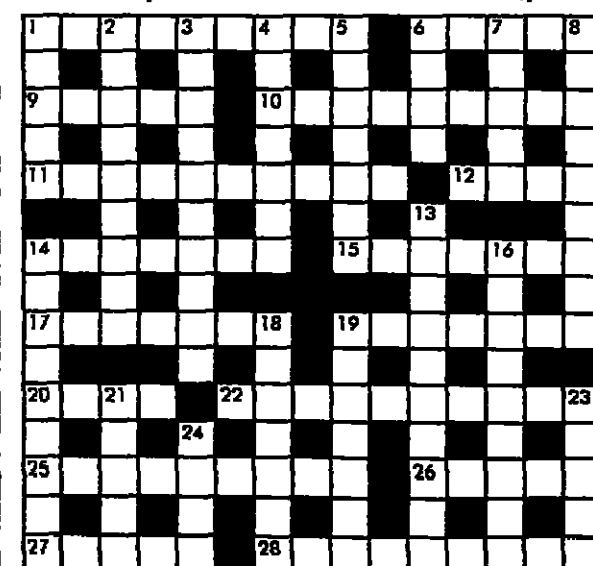
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THE INDEPENDENT CROSSWORD

No. 3554. Tuesday 10 March

By Achard

Monday's Solution



- ACROSS**
- 1 Thereby involved in hardships of actors (4,5)
 - 6 Fill-in makes a reflective attempt to buy about a pound (2-3)
 - 9 Show superiority holding a wild type (5)
 - 10 Applied heat to men in a poor condition (4-5)
 - 11 Was attentive to duty in cathedral by day in a meritorious way (10)
 - 12 People at university will get a choice (4)
 - 14 Bridge players in trail for backer (7)
 - 15 It will produce print of trees used (7)
 - 17 Priest carries woman's basket (7)
 - 19 Sort of memory can upset European in love affair (7)

- 20 Fancy gear can be the fashion (4)
 - 22 Rod runs out to meet English hospital worker (5,5)
 - 25 I bear main strains of cook's requirement (4-5)
 - 26 Assign a charge for crossing and coming back (5)
 - 27 Church official led off to Queen (5)
 - 28 Fancy biscuit's a favourite thing to give to quartet (5,4)
- DOWN**
- 1 Die unexpectedly getting doctor in fix (5)
 - 2 Feathers providing answer in south-west county (9)
 - 3 Exotic fruit is cut to an advanced design (10)
 - 4 Companion of left-wing Lord (7)
 - 5 Discharge from dismissed and dismembered fowl (7)

- 6 A live daughter but not yet active (4)
- 7 Made light man supple (5)
- 8 At least note an upholstered bench (9)
- 13 Company measure also applied to worker's leader (10)
- 14 Diocese shortened part of NT and can be distinguished (9)
- 16 Voice control at poor standard (9)
- 18 Might it prevent one leaving a sinking ship? (3-4)
- 19 Consider giving arbiter lecture (7)
- 21 Crossword diagram involves new tedious task (5)
- 23 Chemical derived from expensive steroids (5)
- 24 Eastern ruler got over frostiness (4)

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